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LEGISLATIVE HISTORY

Public Law 240--78th Congress

Chapter 71--2d Session

S. J. Res. 116

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DIGEST OF PUBLIC LAW 240

COMMODITY CREDIT CORPORATION CONTINUATION. Continues CCC as a U. S. agency until June 30, 1945. Provides for fulfillment of commitments to producers. Requires audits of CCC's financial transactions by Government Accounting Office.

INDEX AND SUMMARY OF HISTORY ON S. J. RES. 116

February 18, 1944	H. R. 4230 introduced by Mr. Spence and referred to the House Committee on Banking and Currency. (Similar bill). Print of the bill as introduced. H. J. Res. 239 introduced by Mr. Spence and referred to the House Committee on Banking and Currency. (Companion bill). Print of the measure as introduced.
February 21, 1944	S. J. Res. 116 introduced by Mr. Bankhead and referred to the Senate Committee on Banking and Currency. Amendment to S. J. Res. 116 proposed by Mr. La Follette.
February 22, 1944	Senate Committee reported S. J. Res. 116 without amendment. Senate Report 718. Print of the measure as reported.
February 23, 1944	H. Res. 448 reported for the consideration of H. J. Res. 239. House Report 1171. H. J. Res. 239 reported by House Committee with amendments. House Report 1173. Print of the measure as reported. S. J. Res. 116 discussed and passed Senate with amendments.
February 24, 1944	S. J. Res. 116 debated in House and passed without amendment in lieu of H. J. Res. 239.
February 28, 1944	Approved. Public Law 240.

See also Hearings, H. R. 2725.

See Also Public Laws 151 and 219 - 76th Congress. See also Miscellaneous Bills: H. R. 2869 and H. R. 3477 - 78th Congress. (Vetoed).

78TH CONGRESS
2D SESSION

H. R. 4230

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 18, 1944

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To continue the Commodity Credit Corporation as an agency of the United States until July 1, 1945, to revise the basis of annual appraisal of its assets, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the Act approved March 8, 1938 (52 Stat.
4 107), as amended, is hereby amended by deleting from the
5 first sentence thereof the term "31st of March" where that
6 term first appears therein and substituting in lieu thereof
7 the term "30th of June", and by deleting from the second
8 sentence thereof "on the basis of the cost, including not more
9 than one year of carrying charges, of such assets to the Cor-
10 poration, or the average market prices of such assets for a

1 period of twelve months ending with March 31 of each year,
2 whichever is less” and inserting in lieu thereof “on the basis
3 of the cost, or, insofar as practicable, the average market
4 price of such assets during the last month of the fiscal year
5 covered by the appraisal, whichever is the lower”. The
6 first appraisal of the assets and liabilities of the Commodity
7 Credit Corporation on the basis established by this amend-
8 ment shall be made as of June 30, 1944.

9 SEC. 2. Section 7 of the Act approved January 31,
10 1935 (49 Stat. 4), as amended, is amended by changing
11 the designation thereof to section 7 (a) ; by striking out in
12 the first sentence of such section “February 17, 1944” and
13 inserting in lieu thereof “July 1, 1945” (this amendment to
14 be effective as of February 16, 1944) ; and by striking out
15 the period at the end of such section and inserting in lieu
16 thereof a colon and the following: “*Provided, however, That*
17 *the Corporation shall at all times maintain complete and*
18 *accurate books of account and shall determine the procedures*
19 *to be followed in the transaction of the corporate business.*

20 “ (b) The financial transactions of the Corporation be-
21 ginning with the period from July 1, 1944, shall be audited
22 by the General Accounting Office in accordance with the
23 principles applicable to commercial corporate transactions
24 and under such rules and regulations as may be prescribed
25 by the Comptroller General of the United States: *Provided,*

1 That the Corporation shall continue to have the authority
2 to make final and conclusive settlement and adjustment of
3 any claims by or against the Corporation or the accounts
4 of its fiscal officers: *Provided further*, That a report of such
5 audit shall be made to the Congress, together with such rec-
6 ommendations as the Comptroller General may deem advis-
7 able, and that each such report shall cover a period of one
8 fiscal year: *Provided further*, That a copy of each such
9 report shall be furnished the Secretary of the Treasury and
10 that the findings contained therein shall be considered by
11 the Secretary in appraising the assets and liabilities and deter-
12 mining the net worth of the Corporation under sections 1
13 and 2 of the Act of March 8, 1938 (52 Stat. 107), as
14 amended: *Provided, however*, That nothing in this section
15 shall be construed as modifying legislation authorizing the
16 use of funds of the Corporation for administrative expenses
17 and requiring accountability therefor.

18 “(c) The expenses of the audit as provided in this sec-
19 tion may be paid up to and including June 30, 1946, from
20 moneys advanced therefor by the Corporation, or from any
21 appropriation or appropriations for the General Accounting
22 Office, and appropriations so used shall be reimbursed
23 promptly by the Corporation as billed by the Comptroller
24 General: *Provided*, That any such advances or reimburse-
25 ments shall be considered as nonadministrative expenses of

1 the Corporation. For the purpose of such audit the repre-
2 sentatives of the General Accounting Office shall have access
3 to all papers, books, files, accounts, financial records, ware-
4 houses, and all other things, property, and places belonging
5 to or under the control of or used or employed by the Corpora-
6 tion and shall be afforded full facilities for verifying trans-
7 actions with the balances in depositaries and with fiscal
8 agents: *Provided further*, That the certified financial reports
9 and schedules of the fiscal agents of the Corporation based
10 on commercial audits in the usual course of business may be
11 accepted by the General Accounting Office in its audit of the
12 financial transactions of the Corporation as final and not
13 subject to further audit verification.

14 “(d) Any examination of the corporate records shall
15 be made at the place or places where such records are nor-
16 mally kept in the transaction of the corporate business, and
17 the Corporation shall retain custody of contracts, vouchers,
18 schedules, or other financial or accounting documents, either
19 original or duplicate, relating to its nonadministrative trans-
20 actions.”

21 SEC. 3. The Commodity Credit Corporation may sell at
22 a loss perishable fruits or vegetables, owned or controlled
23 by it, the increased production of which has been requested
24 by the War Food Administrator, if there is danger of sub-
25 stantial loss through deterioration by spoilage.

78TH CONGRESS
2^D SESSION

H. R. 4230

A BILL

To continue the Commodity Credit Corporation as an agency of the United States until July 1, 1945, to revise the basis of annual appraisal of its assets, and for other purposes.

By Mr. SPENCE

FEBRUARY 18, 1944

Referred to the Committee on Banking and Currency

H. J. RES. 239

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 18, 1944

Mr. SPENCE introduced the following joint resolution; which was referred to the Committee on Banking and Currency

JOINT RESOLUTION

Continuing the Commodity Credit Corporation as an agency of the United States until July 1, 1945.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That the first sentence of section 7 of the Act approved
4 January 31, 1935 (49 Stat. 4), as amended, is hereby
5 amended, as of February 16, 1944, by striking out "Febru-
6 ary 17, 1944" and inserting in lieu thereof "July 1, 1945."

H. J. RES. 239

JOINT RESOLUTION

Continuing the Commodity Credit Corporation
as an agency of the United States until
July 1, 1945.

By Mr. SPENCE

FEBRUARY 18, 1944

Referred to the Committee on Banking and Currency

S. J. RES. 116

IN THE SENATE OF THE UNITED STATES

FEBRUARY 21 (legislative day, FEBRUARY 7), 1944

Mr. BANKHEAD introduced the following joint resolution; which was read twice
and referred to the Committee on Banking and Currency

JOINT RESOLUTION

Continuing the Commodity Credit Corporation as an agency of
the United States until June 30, 1945.

- 1 *Resolved by the Senate and House of Representatives*
- 2 *of the United States of America in Congress assembled,*
- 3 That the first sentence of section 7 of the Act approved Jan-
- 4 uary 31, 1935 (49 Stat. 4), as amended, is hereby amended,
- 5 as of February 17, 1944, by striking out "February 17,
- 6 1944" and inserting in lieu thereof "June 30, 1945".

78TH CONGRESS
2d Session

S. J. RES. 116

JOINT RESOLUTION

Continuing the Commodity Credit Corporation
as an agency of the United States until
June 30, 1945.

By Mr. BANKHEAD

FEBRUARY 21 (legislative day, FEBRUARY 7), 1944

Read twice and referred to the Committee on
Banking and Currency

78TH CONGRESS
2D SESSION

S. J. RES. 116

IN THE SENATE OF THE UNITED STATES

FEBRUARY 21 (legislative day, FEBRUARY 7), 1944

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. LA FOLLETTE (for himself and Mr. TAFT) to the joint resolution (S. J. Res. 116) to continue the Commodity Credit Corporation as an agency of the United States until June 30, 1945, viz: At the end of the joint resolution insert the following new section:

1 SEC. In cases where producers have expanded or here-
2 after expand production of nonbasic agricultural commodities
3 pursuant to any public announcement made under section 4
4 (a) of the Act entitled "An Act to extend the life and in-
5 crease the credit resources of the Commodity Credit Cor-
6 poration and for other purposes", approved July 1, 1941,
7 as amended, it shall be the duty of the Secretary of Agri-
8 culture or the War Food Administrator through loans, pur-

1 chases, and other operations under such section 4 (a), to
 2 completely fulfill all commitments made to such producers.
 3 In order to carry out the purposes of this section, the
 4 Secretary of Agriculture or the War Food Administrator
 5 shall use such of the funds available for carrying out the
 6 provisions of such section 4 (a) as may be necessary,
 7 and such funds are hereby made available for such purpose.

78TH CONGRESS
 2D Session

S. J. RES. 116

AMENDMENT

Intended to be proposed by Mr. LA FOLLETTE
 (for himself and Mr. Tarr) to the joint
 resolution (S. J. Res. 116) to continue the
 Commodity Credit Corporation as an
 agency of the United States until June 30,
 1945.

FEBRUARY 21 (legislative day, FEBRUARY 7), 1944
 Referred to the Committee on Banking and Currency
 and ordered to be printed

"Resolved That a copy of this resolution be submitted to Senator GILLETTE, Senator WILSON, Congressman JENSEN, all of Iowa; and a copy be submitted to the president of the Railway Mail Association; and a copy spread upon the minutes of this meeting; and a copy sent to the editor of the Railway Post Office for publication."

Sincerely,

ELVIN BRYANT,
Secretary.

**LIBERTY OF LITHUANIA—RESOLUTION
BY AMERICAN LITHUANIANS OF PITTS-
BURGH, PA.**

Mr. DAVIS. Mr. President, on February 13, 1944, in the Lithuanian Citizens' Hall in Pittsburgh, Pa., I addressed an enthusiastic and sincere meeting of the American Lithuanians in that district, which meeting was sponsored by the Lithuanian Roman Catholic Priests' Association and the Allied Lithuanian Organization of Allegheny County.

After a stirring and sincere pledge of unity in the war effort of this Nation and our allies, the assembled members then approved the following resolution, which I ask consent to have referred to the Committee on Foreign Relations and printed in the RECORD.

These American Lithuanians have utmost confidence, Mr. President, that the factors presented in their resolution will be given full and fair consideration by this Government at the proper time.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Whereas the American-Lithuanians are proud of their sons and brothers, husbands and sisters, who are devotedly doing their part whether on the battlefield in action against the enemy, on the high seas, or at the assembly lines on the home front; and

Whereas hundreds of thousands of citizens of Lithuanian descent look up to you, Mr. President, as the greatest champion of freedom in our time for the benefit of the common man and small nations; and

Whereas the American-Lithuanians have not forgotten their old country in Europe and had watched with a natural feeling of simple human pride the steady progress there in every field of human endeavor until the smothering of independent life in Lithuania by cruel aggressors; and

Whereas the American-Lithuanians are deeply grateful to you, Mr. President, for the American Government's unflinching determination not to recognize acts of aggression in Lithuania as expressed by responsible officials of the American Government; and

Whereas we are further convinced that the crushing of the enemies of the United Nations will bring to Lithuania, to use the words of the Atlantic Charter, "the restoration of sovereign rights and self-government" in the same measure as it will to the other enslaved small nations of Europe, and as proclaimed in the Atlantic Charter: Therefore be it

Resolved, That we American-Lithuanians appeal to you, Mr. President, and to the American people to use your good offices to liberate the Republic of Lithuania, and we are confident that our Government will never deviate from its traditional principles of ever championing the cause of justice and the rights of the unjustly oppressed.

RELOCATION OF JAPANESE EVACUEES

Mr. TYDINGS. Mr. President, I ask unanimous consent to present a resolution adopted by the American Legion, Department of Maryland, Inc., at Baltimore, Md., protesting against the dif-

fusion of Japanese prisoners of war in critical defense areas such as the State of Maryland, and I ask that it be referred to the Committee on Military Affairs.

There being no objection, the resolution was received and referred to the Committee on Military Affairs.

**ADMINISTRATION OF GOVERNMENT
UNDER THE CONSTITUTION**

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD resolutions adopted recently by Berryton (Kans.) Grange, No. 1430. The tenor of the resolutions is that the farmer members of Berryton Grange are opposed to government by directive and bureaucratic decrees, which they look upon as leading away from government by law to a government by a ruler; that they want Government agencies to operate under the Constitution; and that employees of such agencies also be required to operate under the Constitution and laws of the land. I send the resolutions, embodied in a letter from Grace M. Underwood, secretary, to the desk.

There being no objection, the letter embodying resolutions was received, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

BERRYTON, KANS., February 12, 1944.

HON. ARTHUR CAPPER,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPPER: At its regular meeting February 9, 1944, Berryton Grange, No. 1430, unanimously adopted the following resolutions:

"Whereas the present administration is attempting to govern by directives and bureaucratic decrees; and

"Whereas such practices would inevitably lead to a government by individuals and not by laws enacted by the people; and

"Whereas such government would be dictatorial and not democratic: Therefore be it
"Resolved, That Berryton Grange favor such legislation as will require all Government agencies, their appointees and employees, to operate under the provisions and restrictions of the National Constitution; and be it further

"Resolved, That copies of this resolution be sent to National Master Albert S. Goss, to State Master C. C. Cogswell, and to the Kansas Senators and Representatives in Washington."

We will appreciate any consideration you may give these resolutions.

Very sincerely,

GRACE M. UNDERWOOD,
Secretary, Berryton Grange, No. 1430.

**FOUR-LANE HIGHWAYS—RESOLUTIONS
OF CHAMBERS OF COMMERCE OF SALINA
AND PRATT, KANS.**

Mr. CAPPER. Mr. President, I also ask unanimous consent to present for appropriate reference and printing in the RECORD at this point identical resolutions adopted by the Chambers of Commerce of Salina, Kans., and Pratt, Kans.; endorsing a large post-war highway construction program, but disapproving the four-lane highways between large cities as proposed in the latest message from the President on the subject.

Such four-lane highways are fine, but as these resolutions point out, they would serve only a small proportion of the people of the country. Under such a program, so limited, Kansas, which has

the second largest highway mileage of any State, would get only one-seventieth of the funds, and only one highway—east-west—and no north-south highway. It is my judgment that the program will have to be more inclusive if it is to merit and obtain approval. I send the resolutions to the desk.

There being no objection, the resolutions were received, referred to the Committee on Post Offices and Post Roads, and ordered to be printed in the RECORD, as follows:

Whereas we accept in principle the importance and economic soundness of a post-war road-construction program, believing it would be one of several impossible solutions of the unemployment problem, providing the program enough to distribute the benefits equitably, and to include most of the important Federal, State, and interstate highways.

However, we do not believe the super four-lane highway post-war road program, submitted by President Roosevelt to Congress recently, representing only 1 percent of the road mileage of the country, proposing to spend \$750,000,000 annually on four-lane highways which would cost more than \$150,000 a mile, is the type of post-war program the taxpayers are thinking about or would approve.

The proposed plan would connect large metropolitan cities with four-lane highways and ignore many important State, Federal, and interstate highways, would represent only 1 percent of the total road mileage of the country, and its ultimate cost would be from \$7,000,000,000 to \$10,000,000,000. If such a program were adopted, it is reasonable to suppose that other important State, Federal, and interstate highways would have no Federal aid for many years. Therefore, it is the opinion of the road committee of the Salina Chamber of Commerce that any post-war road construction program should be broad enough to distribute its benefits widely and recognize the fact that taxpayers who would be called upon to help pay for the program do not all live on four-lane highways, and we respectfully ask for a wider distribution of public road funds than is proposed by the bill now before Congress.

Under the proposed plan, Kansas, with the second largest road mileage of any State, would receive but one-seventieth of the allocation of road funds, and only one east-west highway is included, and no north-south highway: Be it

Resolved, That copies of these resolutions be mailed to the State highway commission, all members of the Kansas congressional delegation, and to chambers of commerce.

Adopted at special meeting February 11, 1944, Salina, Kans.

Respectfully submitted,

SALINA CHAMBER OF COMMERCE
ROADS AND HIGHWAYS COMMITTEE.
C. H. GAYTHROP, Chairman.

Attest:

CHARLES H. BREN, Secretary.

The information contained in this resolution expresses the sentiment of the roads and transportation committee of the Pratt Chamber of Commerce.

We urge the careful consideration of the information contained therein.

PRATT CHAMBER OF COMMERCE,
ROADS AND TRANSPORTATION COMMITTEE.
F. W. WOOLWINE, Chairman.

A. L. ROYALTY,
Secretary-Manager.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

H. R. 1488. A bill to provide a right-of-way for an oil pipe line over the Ogden Ordnance

Depot Military Reservation; without amendment (Rept. No. 709).

By Mr. ELLENDER, from the Committee on Claims:

H. R. 1469. A bill for the relief of Robert Beckwith, Julius Buettner, and Emma M. Buettner; without amendment (Rept. No. 710).

By Mr. WHERRY, from the Committee on Claims:

H. R. 2189. A bill for the relief of Kenneth E. Shepard; without amendment (Rept. No. 711).

By Mr. O'DANIEL, from the Committee on Claims:

H. R. 1412. A bill for the relief of Mildred B. Hampton; with an amendment (Rept. No. 712); and

H. R. 1847. A bill for the relief of the legal guardian of Richard Zielinski, a minor; without amendment (Rept. No. 713).

By Mr. STEWART, from the Committee on Claims:

H. R. 2091. A bill for the relief of Mrs. Gladys M. Greenleaf and the estate of Ralph Alton Greenleaf, deceased; without amendment (Rept. No. 714); and

H. R. 3547. A bill for the relief of Carl F. R. Wilson; without amendment (Rept. No. 715).

By Mr. WILSON, from the Committee on Claims:

H. R. 1518. A bill for the relief of Mrs. Bessie Pike and Mrs. Estelle Rosenfeld; without amendment (Rept. No. 717); and

H. R. 2999. A bill for the relief of Leo Gullo; without amendment (Rept. No. 716).

By Mr. CLARK of Missouri, from the Committee on Finance:

S. Res. 225. Resolution for a study of problems relating to the readjustment in civil life of veterans of World War No. 2; with amendments, and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

PRINTING OF BARUCH AND HANCOCK REPORT ON WAR AND POST-WAR ADJUSTMENT POLICY

Mr. HAYDEN, from the Committee on Printing, reported an original concurrent resolution (S. Con. Res. 35), which was read as follows:

Resolved, by the Senate (the House of Representatives concurring), That the report of Bernard M. Baruch and John M. Hancock submitted to the Director, Office of War Mobilization, relative to war and post-war adjustment policy, be printed as a Senate document, and that 7,000 additional copies be printed, of which 5,000 shall be for the use of the House document room and 2,000 copies for the use of the Senate document room.

Mr. HAYDEN. Mr. President, I ask unanimous consent for the present consideration of the resolution.

Mr. WHITE. Mr. President, reserving the right to object, let me inquire whether the concurrent resolution would authorize the printing of what is known as the Baruch report.

Mr. HAYDEN. Yes.

Mr. WHITE. In what numbers?

Mr. HAYDEN. Five thousand for the House and 2,000 for the Senate. The report is not an expensive one to print.

Mr. WHITE. I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills reported that on Feb-

ruary 17, 1944, that committee presented to the President of the United States the following enrolled bills:

S. 199. An act for the relief of Robert Norheim;

S. 255. An act for the relief of Josephine M. Melchior;

S. 817. An act for the relief of George A. Rogers;

S. 921. An act for the relief of Mrs. Neola Cecile Tucker;

S. 933. An act for the relief of Lee S. Bradshaw;

S. 949. An act for the relief of Mrs. Anna Runnebaum;

S. 1077. An act for the relief of William A. Haag;

S. 1164. An act for the relief of Lucille Sleet;

S. 1288. An act for the relief of Luther Thomas Edens;

S. 1324. An act for the relief of the Wisconsin Electric Power Co.;

S. 1325. An act for the relief of Joseph Moret;

S. 1391. An act for the relief of W. R. Jordan and Mabel Jordan;

S. 1417. An act to authorize the Secretary of the Interior to donate and convey on behalf of the United States to Jack Henry Post, No. 1, of the American Legion, Anchorage, Alaska, the wood-frame building, known as the Telephone and Telegraph Building, located on lots 7 and 8 in block 17, Anchorage town site; and

S. 1494. An act for the relief of the William J. Burns International Detective Agency.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN:

S. 1725. A bill authorizing the Civil Aeronautics Administration to loan certain surplus aircraft to private glider clubs and similar organizations; to the Committee on Commerce.

By Mr. DAVIS:

S. 1726. A bill to authorize the Administrator of Veterans' Affairs to furnish seeing-eye dogs for blind veterans; to the Committee on Finance.

By Mr. GILLETTE:

S. 1727 (by request): A bill to authorize the Smithsonian Institution to acquire and dispose of certain surplus property; to the Committee on the Library.

By Mr. GREEN:

S. 1728. A bill granting a pension to Emma S. Bottwell; to the Committee on Pensions.

By Mr. HOLMAN:

S. 1729. A bill to amend the Budget and Accounting Act, 1921, to provide for the more efficient utilization and disposition of Government property other than land or buildings and facilities or fixtures appurtenant thereto, and for other purposes; to the Committee on Expenditures in the Executive Departments.

(Mr. BANKHEAD introduced Senate Joint Resolution 116, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

EXTENSION OF COMMODITY CREDIT CORPORATION — INTRODUCTION OF JOINT RESOLUTION, AND PROPOSED AMENDMENT THERETO

Mr. BANKHEAD. Mr. President, I ask unanimous consent to introduce a joint resolution to extend the life of the Commodity Credit Corporation.

The VICE PRESIDENT. Without objection, the joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 116) continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945, was read twice by its title and referred to the Committee on Banking and Currency.

Mr. LA FOLLETTE. Mr. President, on behalf of the Senator from Ohio [Mr. TAFT] and myself, I ask consent to offer an amendment to the joint resolution which has just been introduced by the Senator from Alabama and request that it be printed and referred to the Committee on Banking and Currency.

The VICE PRESIDENT. Without objection, it is so ordered.

C. A. RAGLAND, SR.

Mr. BAILEY submitted the following resolution (S. Res. 256), which was referred to the Committee on Claims:

Resolved, That the bill (S. 961) entitled "A bill for the relief of C. A. Ragland, Sr.," now pending in the Senate, together with all the accompanying papers, be, and the same is hereby, referred to the Court of Claims pursuant to section 151 of the Judicial Code, as amended; and the said court shall proceed with the same in accordance with the provisions of such section and report to the Senate, giving such findings of fact and conclusions thereon as shall be sufficient to inform Congress of the nature and character of the demand, as a claim, legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant; and the said court shall so proceed with the same and report to the Senate, irrespective of any statute-of-limitations bar, and irrespective of any administrative requirements or contractual provision relating to notice of protest as to filing claim therefor.

DECLINE IN THE CONSUMPTION OF COTTON AND PRODUCTION OF COTTON GOODS

Mr. MAYBANK. Mr. President, I ask unanimous consent to submit a resolution which has to do with the severe decline in the consumption of cotton and also the severe decline in the production of cotton goods. After the morning hour, Mr. President, I should like to discuss the resolution at some length.

The VICE PRESIDENT. The resolution will be received and lie on the table.

The resolution (S. Res. 257) was read and ordered to lie on the table, as follows:

Resolved, That a special committee of six Senators, to be composed of two Senators who are members of the Committee on Agriculture and Forestry, two Senators who are members of the Committee on Commerce, and two Senators who are members of the Committee on Banking and Currency, the members from each such committee to be appointed by the chairman of such committee, is authorized and directed to make a full and complete investigation with respect to the reasons for the decline in the consumption of cotton. Such committee shall report to the Senate as soon as practicable the results of its investigation, together with its recommendations for any necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-eighth Congress, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the

Calendar No. 729

78TH CONGRESS }
2d Session }

SENATE

{ REPORT
No. 718

CONTINUING THE COMMODITY CREDIT CORPORATION

FEBRUARY 22 (legislative day, FEBRUARY 7), 1944.—Ordered to be printed

Mr. BANKHEAD, from the Committee on Banking and Currency,
submitted the following

REPORT

[To accompany S. J. Res. 116]

The Committee on Banking and Currency, to whom was referred the joint resolution (S. J. Res. 116) continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945, having considered the same, report favorably thereon, without amendment, and recommend that the joint resolution do pass.

This joint resolution amends the first sentence of section 7 of the act approved January 31, 1935, so as to continue the Commodity Credit Corporation as an agency of the United States until the close of business on June 30, 1945. [The joint resolution makes no other change in existing law.] Since the present law provides the life of the Corporation expires on February 17, 1944, the amendment made by this joint resolution is made effective as of February 17, 1944, thus it will be retroactive to the time when the life of the Corporation expired under the present law.



Calendar No. 729

78TH CONGRESS
2D SESSION

S. J. RES. 116

[Report No. 718]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 21 (legislative day, FEBRUARY 7), 1944

Mr. BANKHEAD introduced the following joint resolution; which was read twice and referred to the Committee on Banking and Currency

FEBRUARY 22 (legislative day, FEBRUARY 7), 1944

Reported by Mr. BANKHEAD, without amendment

JOINT RESOLUTION

Continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945.

- 1 *Resolved by the Senate and House of Representatives*
- 2 *of the United States of America in Congress assembled,*
- 3 That the first sentence of section 7 of the Act approved Jan-
- 4 uary 31, 1935 (49 Stat. 4), as amended, is hereby amended,
- 5 as of February 17, 1944, by striking out "February 17,
- 6 1944" and inserting in lieu thereof "June 30, 1945".

78TH CONGRESS
2d Session

S. J. RES. 116

[Report No. 718]

JOINT RESOLUTION

Continuing the Commodity Credit Corporation
as an agency of the United States until
June 30, 1945.

By Mr. BANKHEAD

FEBRUARY 21 (legislative day, FEBRUARY 7), 1944
Read twice and referred to the Committee on
Banking and Currency

FEBRUARY 22 (legislative day, FEBRUARY 7), 1944
Reported without amendment

for our neutrality then was a necessary one due to our weakness.

Washington, with the wisdom of a prophet, foresaw that an adherence to the policies of fair dealing and honesty would bring its reward to the Nation just as it does to the individual. Nowhere in Washington's writings do we find the assumption that conditions are static. It would be impossible for him to have accepted that philosophy when we understand the theories of his time in regard to the concept of progress. The fathers of our country were influenced in their philosophical outlook by the theory of progress which broke upon the European and American world like a new renaissance after certain contacts with an older civilization. Condorcet and the Encyclopedistes had caught the spirit of progress. Washington, Jefferson, and our whole early governmental processes reflect it. Without the idea of progress could our Government have adopted the motto for its great seal, "Annuit coeptis. Novus ordo seclorum"?

Chief Justice Jay, in his decision in *Chisholm v. Georgia* (2 Dall. 419), lays down the doctrine that a new order of legal processes was set up under the Constitution which was a break with the past. Jay carried the idea too far, because, of course, there can be no break with the past. The people soon overcame the legal consequences of Jay's decision by adopting the eleventh amendment.

The following quotation from Jefferson also reflects the spirit of progress of the time:

"I shall not die without a hope that light and liberty are on steady advance. We have seen, indeed, once within the records of history a complete eclipse of the human mind continuing for centuries. * * * And even should the cloud of barbarism and despotism again obscure the science and liberties of Europe, this country remains to preserve and restore light and liberty to them. In short, the flames kindled on the Fourth of July 1776 have spread over too much of the globe to be extinguished by the feeble engines of despotism; on the contrary, they will consume these engines and all who work them." (Jefferson's letter to John Adams, September 12, 1821.)

Washington's idea was one of change resulting in growth and development for he had already written:

"As the member of an infant empire * * * and as a citizen of the great republic of humanity at large, I cannot help turning my attention sometimes to this subject. I would be understood to mean I cannot avoid reflecting with pleasure on the probable influence that commerce may hereafter have on human manners and society in general. On these occasions I consider how mankind may be connected, like one great family, in fraternal ties. I indulge a fond, perhaps an enthusiastic, idea that, as the world is evidently much less barbarous than it has been, its amelioration must still be progressive; that nations are becoming more humanized in their policy; that the subjects of ambition and causes for hostility are daily diminishing; and in fine that the period is not very remote when the benefits of a liberal and friendly commerce will pretty generally succeed to the devastation and horrors of war." (Washington's letter to Lafayette, August 15, 1786.)

Students of the history of ideas know where Washington got the phrase "one great family, in fraternal ties."

As these ideas continue to evolve in his mind, he conceived of a changing and more refined justification of war, for he wrote that the resort to war can be justified only on the score of maintenance of self-respect. Thus, by 1795, he believed—

"It is well known that peace (to borrow a modern phrase) has been the order of the day with me since the disturbance in Europe first commenced. My policy has been, and will continue, while I have the honor to remain in the administration of the Gov-

ernment, to be upon friendly terms with, but independent of, all nations of the earth; to fulfill our own engagements; to supply the wants and be carrier for them all; being thoroughly convinced that it is our policy and interest to do so. Nothing short of self-respect, and that justice which is essential to a national character, ought to involve us in war." (Washington's letter to Gouverneur Morris, December 22, 1795.)

If we do not consider a man's life, his writings, and his aspirations as a whole, but consider them only in minute detail, and if we draw deductions from those details, we may find a mass of contradictions and end in an argument over petty deductions. Thus, in spite of all that Washington advised against alliance (and the alliance principle was the international curse of his time, as it is of ours), Washington said this:

"At present everything in America is tranquil, and I hope will long remain so. It is not our interest to seek new broils, and I hope our neighbors will not commence them. * * * I never expect to draw my sword again; I can scarcely conceive the cause that would induce me to do it. But if, contrary to all expectations, such an event should take place, I should think it a fortunate circumstance, and myself highly honored, to have it supported by yours. * * * My first wish is * * * to see the whole world in peace, and the inhabitants of it as one band of brothers striving who should contribute most to the happiness of mankind." (Washington's letter to the Marquis de la Rouerie, October 7, 1785.)

Here, again, we may refer to the prophetic Washington. He did look into the future, as anyone who has accepted Condorcet's theory of progress must and if he could have seen this day, he would not see the whole world in peace, but he would see a group made up of many nations "striving to contribute most to the happiness of mankind," and he would see his own country cooperating with most of the nations of the world, or with citizens of most of the world's nations, in international problems "striving to contribute most to the happiness of mankind." Washington's dream of the nations working together has in a sense been fulfilled. His own country participates officially in at least 6 forms of what we may call permanent international cooperation, and in the fiscal year ending June 30, 1935, the United States took part in more than 50 international conferences and congresses. During the same year America participated in 5 international expositions and celebrations and associated itself with about 15 permanent international commissions, committees, institutes, tribunals, and similar organizations. During the same year the United States participated in more than 15 permanent international bureaus, unions, and similar organizations. The United States now is a party to treaties of conciliation with more than 35 countries. Likewise, during the fiscal year ending June 30, 1935, the United States functioned through 5 special arbitration tribunals of limited duration. The above international undertakings are all outside our regular Diplomatic and Consular Services.

Was Washington thinking only of the Thirteen States when he wrote the following? Probably so; I do not know. But the program which he conceived for the future welfare of the Thirteen States is in spirit a program which we might conceive as broad enough for the future welfare of all States. Washington's program was:

"First. * * * Union of the States under one Federal head;

"Second. A sacred regard to public justice;

"Third. The adoption of a proper peace establishment; and

"Fourth. The prevalence of that pacific and friendly disposition among the people of the United States, which will induce them to forget their local prejudices and policies; to

make those mutual concessions, which are requisite to the general prosperity; and, in some instances, to sacrifice their individual advantages to the interest of the community." (Washington's Legacy, addressed to the Governors of all the States on the disbanding of the Army from his headquarters at Newburgh, N. Y., on June 8, 1783.)

To the extent that we in America have followed Washington's four principles we have succeeded in becoming what we are. To the extent that the world as a whole will adopt those principles, the people of the world may enjoy peace and orderly intercourse. It is the idea which I would stress. For no one in the world today would advocate a world-wide superstate. But the rest of the program has universal application.

And thus Washington dreamed. But no dream can equal the real march of America. Even Condorcet could not envision progress equal to this simple retelling of actual history:

Under heaven Columbus sailed and a new world was found. Here men of common hope from many climes made homes. These men, nurtured in freedom, brought to the New World tried and lasting ideals of the old, and when the motherland failed to cherish the best of its own, a clash occurred. This Jefferson justified and made purposeful by the Declaration of Independence (1776). Led by Washington, patriots put down the mighty, and those of low degree sought safety in law. Blessed by peace, but not yet one in purpose, the fathers of the new Nation covenanted for a more perfect union. They proposed a government to bring justice to life and liberty in pursuit of happiness. Thus 13 States became one, and democracy was given birth. Citizens, guided by a President, spoke their will through Congress, and that they might never lose their rights through the force of the past or the will of the dead, and that the letter of the law might not kill but its spirit live, a supreme court was established, and thereby the Constitution of the United States became a living oracle, fitting past purposes to present needs and freeing the minds of men from fear of the future (1789). Loosed from powers that dull and thwart, the people, inspired with justice, caused the newly founded democracy to fill the vacant places. Imbued with zeal to make sleeping nature serve and the desert blossom as the rose, they pressed on that many might earn blessings formerly garnered only by the few. Onward and upward and ever forward they advanced, unashamed to pray, willing to die, happy in planting that men might eat. Urged to use, bent on building, they never once turned back. Moving westward, by purchase, they added vast Louisiana (1803). Next, south, they won by cession the Floridas (1819). Then into Texas they went, which, by annexation, became part of the Union (1845). By agreement with neighbors on the north, Oregon was divided, bringing lasting peace to a long boundary (1846). After strife a sister nation to the south ceded and sold Mexican soil (1848). To this mighty country, rich in plenty and secure in law, many thousands came to enjoy her benefits and admire her greatness. They built a nation of freemen, a nation of thoughtful women, a nation of forward-looking children, where each, equal before the law, is master of himself but servant to all; where the majority rule, but the minority are protected; where kings may pause to see justice done, but where no king shall ever reign. This land, where men are responsible and restrained but free to think, to come, to go, and to do—so great in territory, so noble in tradition—nevertheless fought with itself, and under Lincoln men gave their all that the government of the people, by the people, and for the people should not perish from the earth. Wounds healed, the people again made one, no longer is there North and no longer is there South. With new faith in old

purposes, Alaska was purchased, removing despotic rule from America (1867). To surround the land by a single sea, Roosevelt built the Panama Canal, which united a nation by dividing a continent (1904). No longer are the waters of the earth separate. No longer is there East and no longer is there West. For God hath wrought that men may have joy and in this land of promise gain life abundant. Then a strife-maddened earth called democracy to its assistance. Men died that war might be no more. Victory gained, Wilson proposed and nations set up institutions for peace and legal process (1919). The path of peace is not assured, but the way to peace is in the earth.

Thus Washington's dream of "one great family in fraternal ties" and of himself "a citizen of the great republic of humanity at large" is today democracy's promise for the future.

JEWISH NATIONAL HOME IN PALESTINE— RESOLUTION OF NEW JERSEY LEGISLATURE

Mr. WALSH of New Jersey, by unanimous consent, presented a concurrent resolution of the Legislature of New Jersey, memorializing the Congress to use its prestige to cause the doors of Palestine to be opened for Jewish immigration, which was referred to the Committee on Foreign Relations, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 6

Concurrent resolution memorializing the Congress of the United States to use its prestige to cause the doors of Palestine to be opened for Jewish immigration

Whereas European Jewry was the first victim of the enemies of democracy, having been singled out for especial attack and ruthless persecution to an extent which has shocked the conscience of the civilized world; and

Whereas Great Britain issued on November 2, 1917, the Balfour Declaration pledging the establishment of a national home in Palestine for Jewish people; and

Whereas this policy was not only incorporated into the mandate for Palestine, but was also concurred in by the United States in a joint congressional resolution of 1922, and further sanctioned in the British-American Convention of 1924; and

Whereas this declared policy of the British and United States Governments was in effect abrogated by the Chamberlain administration through the issuance of the Palestine white paper of 1939 which will by its terms stop all further Jewish immigration into the Holy Land by March 31, 1944, thereby sealing the doom of the remnant of the Jewish population of occupied Europe; and

Whereas this act of inhumanity constitutes a violation of international covenants solemnly entered into and is contrary to the traditional American sense of justice and fair play; Now, therefore, be it

Resolved by the Senate and General Assembly of the State of New Jersey (the House of Assembly concurring):

1. The legislature expresses its profound sympathy to the victims of Nazi persecution, which challenges all traditions and teachings of Christianity and Americanism.

2. The Legislature of the State of New Jersey respectfully urges and petitions the President of the United States, Congress, and the Secretary of State to use the weight and prestige of their respective offices to the end that the doors of the ancestral home of the Jewish people shall be opened wide for free entry of all Jews who are in need of a haven of refuge and desire to build their homes there; and that in pursuance of its clear intent and purpose, the pledge of the Balfour Declaration be honored so as to bring about

the development of a self-governing Jewish commonwealth in Palestine, which shall become a part of the new democratic world order in accordance with the fight for the "four freedoms" in which we are engaged

3. The Secretary of the State of New Jersey be and he is hereby directed to forward copies of this concurrent resolution to the President of the United States, the Vice President of the United States, the Secretary of State, the Speaker of the House of Representatives, and the Senators and Representatives of the State of New Jersey in the Congress of the United States.

4. This concurrent resolution shall take effect immediately.

The VICE PRESIDENT laid before the Senate a resolution identical with the foregoing, which was referred to the Committee on Foreign Relations.

WARTIME METHOD OF VOTING BY MEMBERS OF THE ARMED FORCES—PETITIONS

Mr. WALSH of New Jersey. Mr. President, I also ask unanimous consent to present for appropriate reference and to have notation made thereof that I have today received petitions from citizens of New Jersey praying for the enactment of the so-called Green-Lucas soldiers' vote bill. I am informed that the petitions are signed by 7,000 persons in New Jersey, each of whom indicates that he or she has one or more relatives in the armed forces of the United States.

There being no objection, the petitions were received and ordered to lie on the table.

EXTENSION OF COMMODITY CREDIT CORPORATION—REPORT OF BANKING AND CURRENCY COMMITTEE

Mr. BANKHEAD, from the Committee on Banking and Currency, to which was referred the joint resolution (S. J. Res. 116) continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945, reported it without amendment and submitted a report (No. 718) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. GEORGE (for himself and Mr. MURRAY) introduced Senate bill 1730, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

By Mr. RUSSELL:

S. 1731. A bill for the relief of Helen Halverson; and

S. 1732. A bill for the relief of Arthur M. Sellers; to the Committee on Claims.

By Mr. CLARK of Missouri:

S. 1733. A bill to provide additional allowances for certain dependents of certain disabled veterans; to the Committee on Finance.

POST-WAR ECONOMIC REHABILITATION

Mr. GEORGE. Mr. President, out of order I ask permission to introduce a bill in behalf of myself and the junior Senator from Montana [Mr. MURRAY], and to make a very brief statement regarding the bill. I ask also, Mr. President, that the bill be referred to the Committee on Military Affairs, because that committee would, in the main I think, have jurisdiction of it.

There being no objection, the bill (S. 1730) to create an office of demobiliza-

tion, establish general policies for the operation of that office, provide for the settlement of claims arising from terminated war contracts, provide for the disposal of surplus Government property, and for other purposes, introduced by Mr. GEORGE (for himself and Mr. MURRAY) was received, read twice by its title, and referred to the Committee on Military Affairs.

Mr. GEORGE. Mr. President, the bill I have just introduced is drawn to effectuate the recommendations of the Senate Committee on Post-War Economic Policy and Planning.

Since it was drawn the report of Mr. Baruch has been released and made public, and an Executive order has been issued in conformity therewith appointing certain persons to perform certain of the duties recommended by Mr. Baruch.

There is nothing sought to be done by Mr. Baruch that cannot be done under the provisions of this bill. The post-war committee report and the bill deal with the questions in broader outline, in many cases, than does the Baruch report, but in the objectives sought to be accomplished there is no possible conflict.

This bill creates an office of demobilization which would be subordinate to the Office of War Mobilization during the period of hostilities. It states the basic objectives that Congress is seeking to accomplish and lays down broad general policies for their accomplishment. Under it the director of demobilization would appoint deputy directors to handle the problems of surplus property disposal, contract termination, plant disposal, human demobilization, and other problems that were presented in the total picture. The work of these deputies would be coordinated by the director of demobilization and the general policies of the director would be subject to constant scrutiny by a joint congressional committee, which is set up in the bill and which would have authority to sit with the demobilization board. The director would be accountable to the Executive, but also would be accountable to Congress, in these broad policies.

The Baruch report would have all the coordination between these activities through the Director of Mobilization, under his executive authority. He would have a work director, a surplus property administrator, and a contract termination board, all set up by Executive order, and he would come to Congress for such legislation as was necessary to enable them to function. In relation to surplus property Mr. Baruch specifically recommends against congressional enactment at this time.

I believe the Congress will be glad to grant any legislative authority that is necessary, and this bill attempts to accomplish that. It goes further, however, and starts the administration of these difficult but not impossible problems off on a firm legislative foundation and avoids the possibility of a pattern being set that will be unsatisfactory to the Congress and that at a later date they may have to change, with consequent confusion.

In addition to setting up the office of demobilization and providing for surplus

Mr. Morgenthau testifying—

Specifically, I would suggest to Congress that it plan the financing of the old-age insurance system with a view to maintaining for use in emergencies an eventual reserve amounting to not more than three times the highest prospective annual benefits in the ensuing 5 years.

Mr. President, that is the rule recommended to the Congress by the President's Secretary of the Treasury; that is the rule which Congress substantially wrote into the statute in 1939 in response to the recommendation of the President's Secretary of the Treasury. The same Secretary of the Treasury, who still lingers in the Cabinet.

Remember the rule, that the reserve is adequate if it is three times the highest contemplated expenditure in any one of the ensuing 5 years. What are the facts? The immutable, indisputable facts from the Social Security Board itself, are that the reserve, instead of being only three times the highest contemplated expenditure in any one of the next 5 years, is 11 times that reserve on the basis of any normal anticipation, and, on the basis of the most exaggerated contemplation which the Social Security Board could conjure, it is still five times the necessary reserve, and far beyond the safety zone specified by the President's own Secretary of the Treasury.

I repeat, Mr. President, that this message vetoes first a member of the Cabinet. It is not justified in doing even that, because the mathematics of the situation are so plain that there can be no mistaking the net result. I can never be made to believe that substantial majorities of a responsible Congress in both the House and the Senate would have three annual times voted in this fashion, despite similar Presidential opposition, if there could be the slightest legitimate complaint.

However, Mr. President, the veto message invites consideration of the use of the social-security tax in a different phase. I greatly welcome the forthright, frank, and square-toed statement just made by the able majority leader the distinguished Senator from Kentucky [Mr. BARKLEY] a few moments ago respecting the uses of social-security funds and the impropriety of consulting any collateral reason with respect to their accumulation. If the President separates his argument from the needs of social security itself and if he embraces for his theme the general needs of the general Treasury or of the general battle against inflation, he confesses a purpose to use social-security funds for other than social-security purposes, and I do not hesitate once more to assert my own belief that such an attitude is a breach of public trust. Furthermore, to use pay-roll taxes in this fashion in my opinion is to assess a discriminatory gross personal income tax—because that is precisely what it ultimately amounts to—against the lowest income groups among our workers, which is an unconscionable departure from equitable taxation principles.

Mr. President, the Executive suggests in his amazing message that this is a good time to increase the social-security

tax anyway. Why? Because industry and labor are best able to adjust themselves to such increases at the present time in view of their enhanced income. Mr. President, that may be true of some industries; it may be true of some branches of labor, but it is not true of the 15,000,000 white-collar workers of this country who have just about reached the point where the last straw will break their backs, and it is not true in respect to the great mass of little business in this country which has literally been upon its knees in Washington begging that the social-security tax should be frozen, exactly as Congress has done it, and exactly as the President is undertaking to undo it. I venture the prophecy, Mr. President, that if this veto is not overridden and the pay-roll tax increases 100 percent 1 week from today the burden will be distinctly and hurtfully felt by many of the President's constituents who are entitled to be saved from this needless burden so long as it is indisputably unnecessary for the integrity of social security itself. The message will not be quite so popular 1 week from today as it is this afternoon, if it is popular at all at any time.

Mr. President, that is all I have to say about this message. I feel very deeply about it. I think—and I repeat what I said in the beginning—that the editorial in yesterday's New York Times did not overstate the fact when it is asserted, "A veto of the present bill would be an irresponsible act."

In my opinion it is an irresponsible act which springs more from a studied political campaign aimed at a fourth term on an anti-Congress platform than from any sort of elementary justification in economics or in fact.

Mr. VANDENBERG subsequently said: Mr. President, following my remarks, I should like to have the editorial in the New York Times, from which I have quoted, printed in the Record in full.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

ENACT THE TAX BILL

The President's remarks at his press conference last week were taken by most of his listeners to imply that he intended to veto today or tomorrow the tax bill now on his desk. We hope that this interpretation was a mistaken one. A veto of the present tax bill would be an irresponsible act.

The Treasury, it is true, had asked for a tax bill to yield an additional \$10,500,000,000. The bill actually passed by Congress is calculated to yield only an additional \$2,300,000,000. We believe this amount under present conditions to be inadequate. But it is not insubstantial (it is greatly in excess of the total revenues from the individual income tax as late as the fiscal year 1941, for example), and the Treasury could ill afford to lose it. It has been estimated that the new tax bill would increase the total Federal annual revenues to what a few years ago would have been regarded as the incredible sum of \$42,239,000,000. The practical effect of a Presidential veto, unless Congress were able to override it, would not be to force Congress to bring in a new bill increasing revenues but to deprive the Treasury even of the revenues provided by the present bill. The President's delay in acting on the bill has already, in fact, deprived the Treasury of increased

excise taxes of \$85,000,000 that it could otherwise have collected in March.

The President's advisers may have told him that if he vetoes the bill the net loss in revenues will be only about half as much as those provided by the bill, because he would also be vetoing the provision in the new bill that postpones the increase that would otherwise take place in the social-security pay-roll tax. But this argument is weak on several counts. The veto would still cost the Treasury at least \$1,000,000,000 a year in net loss of revenues. And it would substitute an ill-advised tax for better taxes.

The present social-security tax is 1 percent on wage and salary earners and 1 percent on the pay rolls of employers. It yields \$1,300,000,000 a year. If the Congressional postponement were to be canceled by a Presidential veto of the tax bill, there would begin next month a 2 percent tax on wage-earners and a tax on employers of 2 percent of their pay rolls. The yield of the tax would be increased to \$2,600,000,000 a year. So far as the social-security program is itself concerned, there is no need to increase the tax rate now. The present social-security system is designed to operate on a pay-as-you-go basis. The act even provides that if the contingency reserve exceeds three times the highest yearly outlay expected during the following 5-year period Congress must be notified. The present contingency reserve is close to \$5,000,000,000. The \$1,300,000,000 in social-security taxes that we now collect is already more than six times the out-going benefit payments, and more than four times the estimated maximum outgo in 1949. So far as the social-security program itself is concerned, there is no good excuse for raising the rates now.

The argument that we should raise the social-security rates now on anti-inflation grounds implies that social-security revenues ought not to be considered merely in relation to the needs of the social-security system but rather as part of total revenues, and that the social-security system itself should be treated as part of a compensatory program of Government taxing and spending. Such an implication is a serious one for the future of the social-security system, but it does not need to be examined here. The anti-inflation argument, even if directly applicable to the social-security program, could not justify a veto of the present bill; for such a veto would mean an annual net loss of \$1,000,000,000 in taxes.

It is worth examining, moreover, the kind of increased taxes that doubling of the social-security rates would now impose. A tax on pay rolls is a tax on employment and an increase in costs of production. Under present conditions it would force up prices further. The Government, moreover, would have to pay for its increased revenues from this source either in loss of other corporation tax revenues or in increased subsidies; so that the amount of its gain on net balance would be questionable. From the standpoint of the workers the increased tax would mean an added income tax, without exemptions, of 1 percent.

Here is a strange inconsistency in administration policy. The President has refused to accept a general retail sales tax at any level whatever, on the ground that low-income families cannot afford it. Yet a general retail sales tax of 2 percent would obviously press much less heavily on low-income families than would a flat social-security tax of 2 percent without exemptions. A retail sales tax would discourage spending, which is a highly desirable end when inflation is threatened. A family could to some extent mitigate the tax by reducing its spending. But there is no way under which an employed man can escape the flat income tax under the social-security system. It can be argued, of course, that in such a tax a man is only being forced to pay for his own

future security. But does not the same argument apply to any tax to defray the costs of the present war?

This brings us back to the weaknesses of the administration's own tax program. Congress rejected that program for the sound reason that the increased taxes it proposed would have imperiled the productive processes themselves. Congress failed to compensate for this rejection by even a moderate general sales tax because the administration was flatly opposed to such a tax. How can such opposition be reconciled with an effort to increase a flat income tax without exemptions?

It is hard to believe that the President would veto the new tax bill simply because it contains a provision requiring labor unions to file financial statements with the Bureau of Internal Revenue. This is merely a mild and belated step to bring some measure of publicity and accountability into the handling of union funds. It is necessary, among other reasons, to help protect the individual union member against exploitation by unscrupulous union bosses wherever these exist.

Even if the President were otherwise justified in vetoing the new tax bill, he would not be justified in allowing Congress to waste months of precious time in framing the measure without having made unmistakably clear from the beginning precisely what he would veto and why.

If the President vetoes this measure there can be but one answer. Congress should override the veto.

Mr. TAFT. Mr. President, the President's veto of the tax bill does not make sense. Why does he not accept the additional taxes levied, all of which were included in his program, and then ask Congress to pass another law simplifying and increasing the personal income taxes? The Treasury's original plan did not ask for \$10,500,000,000 of additional taxes but only for \$7,000,000,000 of taxes and \$3,500,000,000 of compulsory savings, which meant Government bonds. The compulsory savings feature would undoubtedly have reduced the sale of bonds through voluntary pay-roll deductions, and would have represented no gain to the Government. The additional money the President wants, thus estimated to be about \$4,500,000,000, could be provided only by a general increase in personal income taxes or by a sales tax. A sales tax would certainly have been vetoed if it had been included in the bill. Why does not the President take the increased tax offered by the bill now?

The bill, first, increases the tax on luxuries about as the Treasury requested.

Second, it increases the excess-profits tax on corporations from 90 to 95 percent.

Third, it simplifies, while increasing slightly, the net income tax by abolishing the earned-income credit, simplifying the Victory tax, and repealing the second windfall provision.

Fourth, it improves the renegotiation provisions by providing a court review, to which every American is entitled when dealing with the Government, and exempting small business concerns with a total annual Government business of less than \$500,000.

Fifth, it freezes the social-security old-age-pension rate of 1 percent instead of letting it increase to 2 percent on the employer and 2 percent on the employee.

The President's message suggests that the increased old-age-pension money can be balanced against the additional taxes, but of course they are entirely distinct. The increase from 1 to 2 percent is not needed for social-security purposes, because the fund is already much larger than estimated. But the President proposes to borrow from the old-age-pension fund all the additional money produced by these taxes, to help finance the war. Congress does not feel that the old-age-pension funds should be used for general financing purposes.

It is unfortunate that the good features of the bill should be endangered by the President's veto, and the tax collections reduced by \$2,300,000,000 annually, simply because Congress has refused to accept the admittedly unsound recommendations of Secretary Morgenthau regarding the individual income taxes.

EXTENSION OF THE COMMODITY CREDIT CORPORATION

Mr. BARKLEY. Mr. President, I think it is the desire of the senior Senator from Alabama [Mr. BANKHEAD], who has today reported from the Committee on Banking and Currency Senate Joint Resolution 116, continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945, to have it taken up for consideration tomorrow. It will be in order to do that. Therefore, I ask unanimous consent that the joint resolution be made the unfinished business, with the understanding that it will not be taken up for action until tomorrow.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 116) continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate a message from the President of the United States nominating William A. M. Burden, of New York, to be Assistant Secretary of Commerce, vice W. L. Clayton, resigned, which was referred to the Committee on Commerce.

The PRESIDING OFFICER. If there be no reports of committees, the clerk will proceed to state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

Mr. BARKLEY. I ask unanimous consent that the President be notified at once of the confirmations.

The PRESIDING OFFICER. Without objection, the President will be forthwith notified. That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 2 o'clock and 14 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, February 23, 1944, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate February 22 (legislative day of February 7), 1944:

ASSISTANT SECRETARY OF COMMERCE

William A. M. Burden, of New York, to be Assistant Secretary of Commerce, vice W. L. Clayton, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 22 (legislative day of February 7), 1944:

POSTMASTERS

NEW YORK

Irene Bruno Ameele, East Williamston.
Edward J. Reidy, Elmira.
Beulah Meier, Holtzville.

PENNSYLVANIA

Albert R. Hinkle, Clearfield.
Lawrence E. Oyler, Gettysburg.
Tillie Kuchinsky, Lost Creek.
Lucille J. Mensch, Marienville.
Frank Mager, Matamoras.
Donald R. Sheehan, Mehoopany.
Hilda M. Fablan, Ottsville.
Florence I. Risch, Sarver.

TENNESSEE

Curtis W. Younger, Atwood.
Katie Potts, Bon Aqua.
Glennie K. Harrison, Cosby.
Hollis K. Stephenson, Eagleville.
Shafter E. Kidwell, Mohawk.
James T. McCabe, Richard City.
Edith D. Hill, Shouns.

TEXAS

Leta McElligott, Bells.
Andrew R. Davis, Brackettville.
John A. Leinweber, Ingram.
Sislie Curtis, Larue.
Sallye Godbold, Leakey.
Lura E. Seale, Lolita.
Wayland B. Weatherred, Pampa.

VIRGINIA

Jippie S. Yeatts, Hurt.

WEST VIRGINIA

Jesse C. Garlow, Madsville.
Icle O. Anderson, Watson.
John C. Coleman, Wilcoe.

WYOMING

Andrew Lee Johnson, Jackson.

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 24, 1944, for actions of February 23, 1944)

(For staff of the Department only)

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HOUSE

1. A.A.A.; TOBACCO. Passed without amendment H.J.Res. 234, directing that the burley tobacco acreage allotment for any farm having had one in 1943 shall not be less than one acre or 25% of the cropland, whichever is smaller; and that the acreage required for apportionment shall be in addition to existing allotments (pp. 1991-2).
2. COMMODITY CREDIT. Banking and Currency Committee reported with amendment H.J. Res. 239, to continue CCC as a U.S. agency until July 1, 1945 (H.Rept. 1173) and the Rules Committee reported a resolution for consideration of this measure (pp. 1998, 2028). Rep. Bolton, Ohio, explained her vote to override the veto of H.R. 3477, the CCC bill which prohibited subsidies (p. 1990). It is expected that this measure will be brought up today (p. 1998).
3. FARM BANKRUPTCY. Rules Committee reported a resolution for consideration of H.R. 4266, to amend the Farm Bankruptcy Act so as to extend it until Mar. 4, 1948, reapportion the number of conciliation commissioners, increase the bankruptcy-petition fee from \$10 to \$25, and increase from \$5 to \$10 the per diem allowance for conciliation commissioners (pp. 1996, 1998, 2028). It is expected that this bill will be brought up today (p. 1998).
4. A.A.A. GRANTS-IN-AID. H.R. 3405, requiring compliance with State inspection laws by Federal agencies, except TVA, distributing fertilizers, feeds, nursery stock, or seeds, was passed over on objection of Rep. Kean, N.J., who stated, "I said I would object...unless certain objections were taken care of. I understand it has been impossible to get consent to such amendments" (p. 1993).

5. **FORESTRY.** At the request of Rep. Kean, N.J., passed over S. 45, to increase from \$2,500,000 to \$9,000,000 the annual appropriation authorization for cooperative forest-fire protection on private and State-owned lands. (p. 1993).
At the request of Rep. Kean, N.J., passed over H.R. 3848, to increase from \$3,000,000 to \$6,500,000 the total authorization for appropriations for a national survey of forest resources (p. 1993).
Discussed and passed over at the request of Rep. Smith, Ohio, S. 250, the sustained-yield forest-management bill (1993, 1998).
Rep. Ellsworth, Oreg., explained why "competitive bids are not required for the sale of timber" from forest lands. (pp. 1993, 1998).
6. **LAND ACQUISITION.** At the request of Rep. Cole, N.Y., passed over S. 919, to eliminate the use of commissioners, etc., in Federal condemnation proceedings (p. 1993).
7. **WORK RELIEF; PUERTO RICO.** On objection of Reps. Marcantonio, N.Y., Madden, Ind. and Fitzpatrick, N.Y., S. 981, to assist in relieving economic distress in Puerto Rico by providing employment, was stricken from the Consent Calendar (p. 1993).
8. **ALIEN EMPLOYMENT.** At the request of Rep. Kean, N.J., passed over H.R. 2908, to amend Public Law 537, 77th Cong., to remove the date limitation for relieving discharging officers, certifying officers, and payees in respect to certain payments made in contravention of appropriation restrictions regarding citizenship status (p. 1993).
9. **FISHERIES.** At the request of Rep. Priest, Tenn., passed over S. 1242, to authorize appropriations for an Office of Fishery Coordination (p. 1993).
10. **CLAIMS.** Passed without amendment H.R. 3609, to permit the U.S. to be made a party defendant in cases involving sale of property subject to foreclosure of a mortgage or other lien (pp. 1997-98).
11. **FOREIGN RELIEF.** Rep. Bloom, N.Y., Johnson, Tex., and Eaton, N.J., were appointed conferees on H.J. Res. 192, to permit U.S. participation in UNRRA (p. 1988).
Senate conferees have not been appointed.
12. **ECONOMY.** Rep. Gavin, Pa., commended the work of the Joint (Byrd) Committee on Reduction of Nonessential Expenditures, and he and Rep. Rees, Kans., criticized the number of Federal employees (mentioning Farm Security) and the "inefficiency and waste" of the Federal Government (pp. 1990, 2010-2).
Reps. Fish, N.Y., Wocuruff, Mich., and Cox, Ga., criticized the President's veto of H.R. 3687, the tax bill. Rep. Cox, Ga., criticized "Federal waste, overlapping and duplication of activities...[and] the Bureau of the Budget with its ever-expanding staff," and stated that the Civil Service Commission "is on a staff agency with no authority to advise with respect to Government employment or activity." Other members discussed this with him. (pp. 1989, 2012-24, 2021)
13. **FLOOD CONTROL.** Received from the War Department flood-control survey reports on the Arkansas (H. Doc. 447) and Cumberland Rivers (Tenn.). To Flood Control Committee. (pp. 2027, 2028).
14. **PATENTS.** Received from the Commerce Department proposed legislation "to extend temporarily the time for filing of letters patent." To Patents Committee. (p. 2028.)

SENATE

15. COMMODITY CREDIT. Passed with amendments S.J.Res. 116, to continue CCC as a U.S. agency until June 30, 1945 (p. 1984-7).
Agreed to the following amendments:
By Sen. La Follette, Wis., providing for the fulfillment of all commitments to producers who have expended their production in the future (p. 1984-7).
By Sen. Butler, Nebr., providing for a GAO audit of financial transactions (p. 1985-1).
Rejected an amendment by Sen. Bushfield, S.Dak., prohibiting the payment of consumer subsidies (Sen. Bankhead opposed the amendment in view of the situation) (pp. 1984-5).
During the debate on this bill Sen. Shipstead, Minn., inserted a constituent's letter criticizing farm prices and governmental control, stating, "My suggestion is that we get all the farmers in Washington out on farms with the rest of us, or else let them keep their fingers out of it and stop telling the farmers how it's done" (pp. 1985-6).
Sen. Wherry, Nebr., withdrew his amendment to continue the CCC as a U.S. agency only until Dec. 31, 1944 (pp. 1986-7).
16. NOMINATION. Agriculture and Forestry Committee reported unanimously the nomination of Grover B. Hill to be Under Secretary of Agriculture (p. 1980).
17. TAXATION. Majority Leader Barkley criticized the President's veto of the tax bill, H.R. 3687, discussing particularly the timber provision's of the bill; gave notice that he intended to resign as Majority Leader; and stated that "if the Congress...has any self-respect yet left it will override the veto of the President" (pp. 1981-3).
Sen. Holman, Orge., inserted a constituent's letter criticizing the President's veto message with respect to the timber amendment (pp. 1983-4).
Sen. Davis, Pa., criticized the President's veto and inserted an editorial, "Veto of Tax Bill a Mistake" (p. 1987).
18. INDEPENDENT OFFICES APPROPRIATION BILL. Sen. Russell, Ga., submitted an amendment which he intends to propose to this bill which would prohibit allotting any part of this appropriation to an agency that was set up by Executive Order after such agency has been in existence for more than one year, if the Congress has not appropriated any money for such agency (p. 1980).
19. FORESTRY. Public Lands and Surveys Committee reported without amendment H.R. 2956, to reserve certain Tongass National Forest lands as a municipal water-supply reserve for Sitka, Alaska (S. Rept. 719) (p. 1980).
Public Lands and Surveys Committee reported without amendment S. 1618, clarifying certain provisions of law which authorize appropriation of receipts from national forests for the purchase of lands within such forests, to provide that any such receipts not appropriated or appropriated but not expended shall be disposed of in the same manner as other national forest receipts so that payments may be made to local governments (S. Rept. 720) (p. 1980).
20. PRICE CONTROL; LABOR. Sen. Wiley, Wis., inserted a resolution from A.E. Gerch (secretary of the Wis. Retail Food Dealers Assn.) favoring a program of inflation control, including control over food prices and control over labor policy under which all wage earners will be accorded equality of treatment (pp. 1979-80).
21. FOOD LABELING. Sen. Wiley, Wis., referred to a Saturday Evening Post article criticizing "the vicious intent of a certain bill which has been called the labeling bill" (p. 1981).

BILLS INTRODUCED

22. FORESTRY. By Sen. McNary, Oreg., S. 1734, authorizing acquisition by purchase, condemnation, or otherwise of forest lands within the Mount Hood National Forest, Oreg. To Agriculture and Forestry Committee. (p. 1980.)
23. PERSONNEL. By Rep. Bland, Va., H.R. 4251 (by request) to give honorably discharged disabled, or retired marine employees of the Panama Canal, civil-service preference and to extend to them the facilities of the Public Health Service. To Merchant Marine and Fisheries Committee. (p. 2028.)
24. EFFICIENCY. By Rep. Rees, Kans., H.R. 4252, creating a Congressional Bureau of Efficiency. To Accounts Committee. (p. 2028.) Remarks of author (pp. 2012).
25. MUSTERING-OUT PAY. By Rep. Rolph, Calif., H. R. 4253, to aid merchant seamen and to provide for payment of mustering-out pay. To Merchant Marine and Fisheries Committee. (p. 2028.)
26. LEND-LEASE. By Rep. Bloom, N.Y., H.R. 4254, to extend for 1 year the provision of an act to promote the defense of the U.S. approved Mar. 11, 1941. To Foreign Affairs Committee. (p. 2028.)
27. MARKETING; ADVERTISING. By Rep. Barry, N.Y., H.R. 4255, to empower the Federal Trade Commission to require advertisers who have been making false claims for their products to inform the public of their misdeeds through publication of the Commission's orders. To Interstate and Foreign Commerce Committee. (p. 2028.)
28. SELECTIVE SERVICE. By Rep. Brooks, La., H.R. 4256, to provide readjustment insurance for persons in the armed forces. To World War Veterans Legislation Committee. (p. 2028.)
29. PRICE CONTROL. By Rep. Monkiewicz, Conn., H.R. 4258, to amend Sec. 201 D of the Price Control Act of 1942 authorizing OPA rules and regulations. To Banking and Currency Committee. (p. 2028.)
30. SURPLUS COMMODITIES; FOOD DISTRIBUTION. By Rep. Phillips, Calif., H.R. 4259, to create a Surplus Agricultural Products Corporation and to authorize the disposition of excess Government food stocks and related products. To Banking and Currency Committee. (p. 2028.)
31. SCHOOL LUNCH. By Rep. Pace, Ga., H.R. 4260, amending Sec. 32 of the AAA Act in order to provide for the maintenance and operation of school lunch programs. To Agriculture Committee. (p. 2028.)

COMMITTEE HEARING Released by G.P.O.

32. RESEARCH. S. Res. 107 and S. 702, with respect to the scientific and technical mobilization of national resources. Pt. 6, monopoly and cartel practices concerning Vitamin D. Senate Military Affairs Committee.

ITEMS IN APPENDIX

33. FOOD PRODUCTION. Rep. Gilchrist, Iowa, inserted Judge Jones' radio address, "Corn Goes to War," outlining the importance of corn as a war material (p. A956)

CONSIDERATION OF HOUSE JOINT RESOLUTION 239

FEBRUARY 23, 1944.—Referred to the House Calendar and ordered to be printed

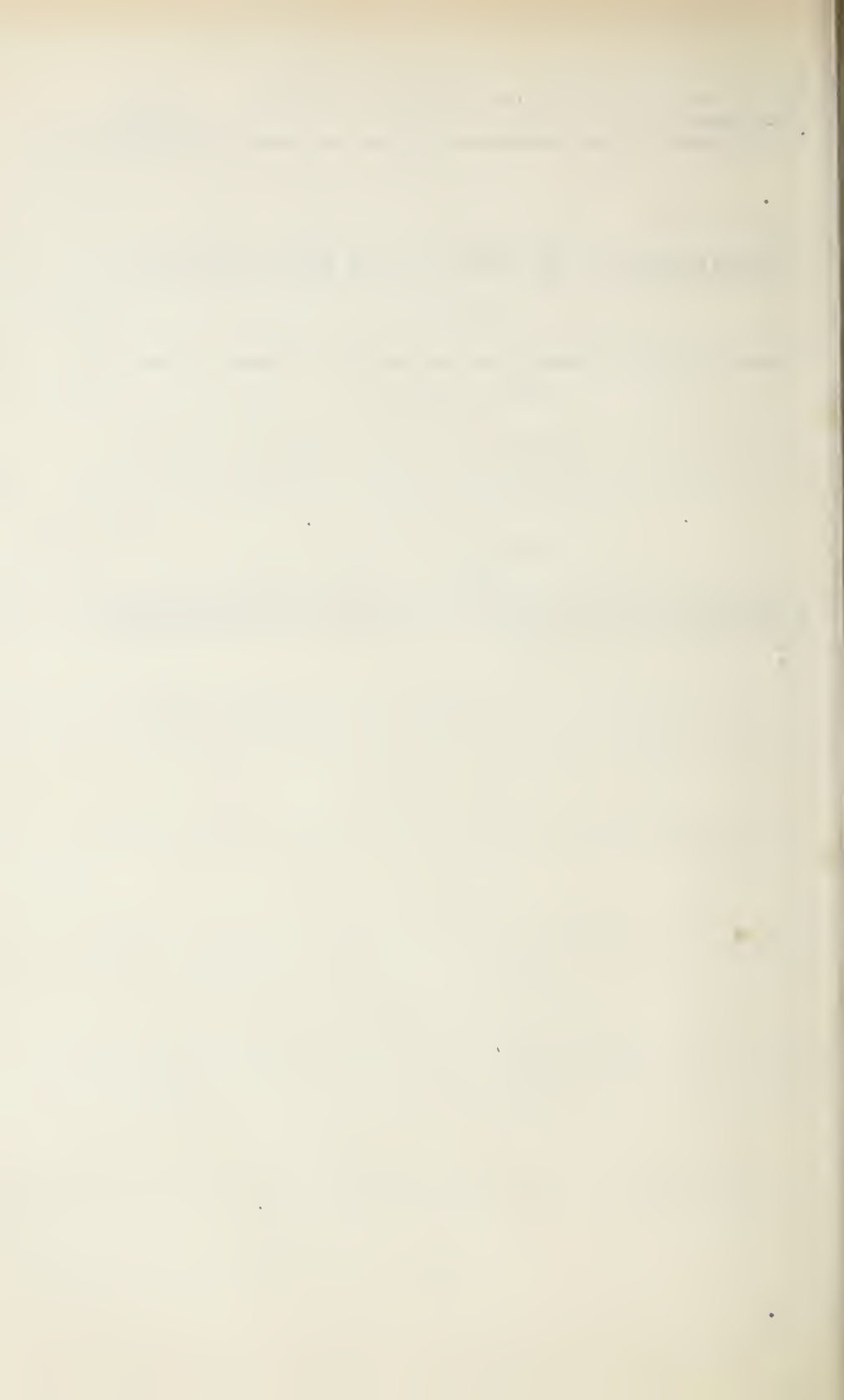
Mr. SABATH, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 448]

The Committee on Rules, having had under consideration House Resolution 448, reports the same to the House with the recommendation that the resolution do pass.





House Calendar No. 193

78TH CONGRESS
2D SESSION

H. RES. 448

[Report No. 1171]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 23, 1944

Mr. SABATH, from the Committee on Rules, reported the following resolution:
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That immediately upon the adoption of this
2 resolution it shall be in order to move that the House resolve
3 itself into the Committee of the Whole House on the state
4 of the Union for the consideration of the joint resolution
5 (H. J. Res. 239) continuing the Commodity Credit Cor-
6 portation as an agency of the United States until July 1,
7 1945. That after general debate, which shall be confined
8 to the joint resolution and shall continue not to exceed two
9 hours to be equally divided and controlled by the chairman
10 and the ranking minority member of the Committee on Bank-
11 ing and Currency, the joint resolution shall be read for
12 amendment under the five-minute rule. At the conclusion

1 of the reading of the joint resolution for amendment, the
 2 Committee shall rise and report the same to the House with
 3 such amendments as shall have been adopted and the previ-
 4 ous question shall be considered as ordered on the joint
 5 resolution and amendments thereto to final passage without
 6 intervening motion except one motion to recommit.

House Calendar No. 193

78TH CONGRESS
2^D SESSION

H. RES. 448

[Report No. 1171]

RESOLUTION

For the consideration of H. J. Res. 239, joint resolution continuing the Commodity Credit Corporation as an agency of the United States until July 1, 1945.

By Mr. SARANT

FEBRUARY 23, 1944

Referred to the House Calendar and ordered to be printed

CONTINUING THE COMMODITY CREDIT CORPORATION AS AN AGENCY OF THE UNITED STATES

FEBRUARY 23, 1944.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. SPENCE, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany H. J. Res. 239]

The Committee on Banking and Currency, to whom was referred the joint resolution (H. J. Res. 239) continuing the Commodity Credit Corporation as an agency of the United States until July 1, 1945, having considered the same, report favorably thereon with amendments and recommend that the joint resolution as amended do pass.

The amendments are as follows:

Page 1, line 5, strike out "February 16" and insert "February 17".

Page 1, line 6, strike out "'July 1, 1945.'" and insert "'June 30, 1945.'"

Amend the title so as to read:

Joint resolution continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945.

The joint resolution, with the amendments made by the committee, will continue the Commodity Credit Corporation as an agency of the United States until the close of business on June 30, 1945. The amendment made to existing law by the joint resolution, as amended by the committee, is to become effective as of February 17, 1944, so as to avoid any break in the continuity of the Corporation's status as an agency of the United States. The amendment made by the committee to change the date of July 1, 1945, to June 30, 1945, is for the purpose of conforming the period of the Corporation's continuance as an agency of the United States to the fiscal-year basis.

This joint resolution does not affect the power of the President, under existing law, to terminate the existence of the Corporation as an agency of the United States prior to the date specified.

The period of extension provided for by the joint resolution is considered necessary to permit the undertaking and execution of the 1944 food-production program.

CONTINUING THE COMMODITY CREDIT CORPORATION

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the joint resolution, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

Section 7 of Act of January 31, 1935 (Public Law No. 1, 74th Cong.) as amended (Public Law No. 2, 75th Cong.; Public Law No. 3, 76th Cong.; Public Law No. 147, 77th Cong.; Public Law No. 151, 78th Cong.; Public Law No. 219, 78th Cong.)

SEC. 7. (a) Notwithstanding any other provision of law, Commodity Credit Corporation, a corporation organized under the laws of the State of Delaware as an agency of the United States pursuant to the Executive order of the President of October 16, 1933, shall continue, until the close of business on [February 17, 1944,] *July 1, 1945*, or such earlier date as may be fixed by the President by Executive order, to be an agency of the United States. During the continuance of such agency, the Secretary of Agriculture and the Governor of the Farm Credit Administration are authorized and directed to continue, for the use and benefit of the United States, the present investment in the capital stock of Commodity Credit Corporation, and the Corporation is hereby authorized to use all its assets, including capital and net earnings therefrom, and all moneys which have been or may hereafter be allocated to or borrowed by it, in the exercise of its functions, as such agency, including the making of loans on agricultural commodities.



Union Calendar No. 390

78TH CONGRESS
2D SESSION

H. J. RES. 239

[Report No. 1173]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 18, 1944

Mr. SPENCE introduced the following joint resolution; which was referred to the Committee on Banking and Currency

FEBRUARY 23, 1944

Reported with amendments, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

JOINT RESOLUTION

Continuing the Commodity Credit Corporation as an agency of the United States until July 1, 1945.

- 1 *Resolved by the Senate and House of Representatives*
- 2 *of the United States of America in Congress assembled,*
- 3 That the first sentence of section 7 of the Act approved
- 4 January 31, 1935 (49 Stat. 4), as amended, is hereby
- 5 amended, as of ~~February 16~~ *February 17*, 1944, by strik-
- 6 ing out "February 17, 1944" and inserting in lieu thereof
- 7 ~~"July 1, 1945."~~ *"June 30, 1945"*.

Amend the title so as to read: "Joint resolution continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945."

Union Calendar No. 390

78TH CONGRESS
2d Session

H. J. RES. 239

[Report No. 1173]

JOINT RESOLUTION

Continuing the Commodity Credit Corporation
as an agency of the United States until
July 1, 1945.

By Mr. SPENCE

FEBRUARY 18, 1944

Referred to the Committee on Banking and Currency

FEBRUARY 23, 1944

Reported with amendments, committed to the Com-
mittee of the Whole House on the state of the
Union, and ordered to be printed

was justified. I make no apology for that.

The President said that he had been advised that, "having asked the Congress for a loaf of bread to take care of this war for the sake of this and succeeding generations, I should be content with a small piece of crust." Then he states that he might have given heed to such advice—"if I had not noted that the small piece of crust contained so many extraneous and inedible materials."

Mr. President, how small a piece of crust is this, and how inedible is it, containing, as it does, \$2,250,000,000? How small a piece of crust is this, and how inedible is it? This "small piece of inedible crust" is more than the national debt of the United States Government prior to the First World War. This "small piece of inedible crust" is more than twice the annual cost of the Federal Government prior to the First World War. This "small piece of inedible crust" constitutes a sum of money large enough to pay the entire \$1,350,000,000 which Congress last week authorized to be expended for the relief of human suffering in occupied territories, and still leave \$1,000,000,000. This "small piece of inedible crust" constitutes a sum of money large enough to buy many airplanes and tanks, and many millions of rounds of ammunition. It is large enough to establish many hospitals for the relief of those injured in this war. This "small piece of inedible crust" constitutes a sum large enough to pay two-thirds of the cost of the mustering-out pay bill for members in the armed services of the United States, which Congress passed only a few weeks ago, and which the President himself recommended and signed.

Mr. President, to refuse this "small piece of inedible crust" is the same as if a starving man were to say to his would-be benefactor, "Unless you serve me with a full eight-course dinner, I will not eat a bite."

In his effort to belittle and discredit Congress throughout his veto message the President says:

It is not a tax bill but a tax-relief bill providing relief not for the needy but for the greedy.

That statement, Mr. President, is a calculated and deliberate assault upon the legislative integrity of every Member of Congress. Other Members of Congress may do as they please; but, as for me, I do not propose to take this unjustifiable assault lying down.

For 31 years I have continuously represented the great Commonwealth of Kentucky in the Congress of the United States—14 years in the House of Representatives—almost without opposition in my own party or in the Republican Party throughout that entire period. When my present term as a Senator shall have expired I will have served that great Commonwealth continuously for a period of 32 years. Unless I am misinformed, that constitutes a longer period of service than can be claimed by any other previous Kentuckian who has served in either branch of the Congress. When my present term in the Senate shall have expired, I will have served

in this body for 18 years continuously, which is a longer period than any previous Kentuckian can claim for continuous service in the Senate.

Mr. President, out of the fullness of my heart, I entertain a profound gratitude to the people of my State for giving me the opportunity to serve them and the Nation during this tragic period of our history. On the 27th day of next July I shall have served as majority leader of this body for 7 years. You may be surprised to know, Mr. President, that, so far as I have been able to trace the record back in senatorial history, this is nearly twice as long as any other man of any political party has served as majority leader of this body.

Mr. President, this is the first time during that long service, which I had thought was honorable, when I have been accused deliberately of voting for a bill that constituted a relief measure impoverishing the needy and enriching the greedy.

Mr. President, for 12 years I have carried to the best of my ability the flag of Franklin D. Roosevelt. For the past 7 years I have carried the flag of this administration as majority leader of the Senate, and during these years I have borne that flag with pride because I felt that President Roosevelt in himself in the great crisis in the history of our country and the world constituted a dynamic leader for whom the people yearned. I dare say that during the past 7 years of my tenure as majority leader I have carried that flag over rougher territory than was ever traversed by any previous majority leader. Some times I have carried it with little help here on the Senate floor, and more frequently with little help from the other end of Pennsylvania Avenue.

Whether I have made a good majority leader, an indifferent majority leader, or a bad majority leader, the record itself will speak. There is nothing in that record that I would now change; there is nothing in that record that I would not repeat under the same circumstances that existed during this course of my legislative history. But, Mr. President, there is something more precious to me than any honor that can be conferred upon me by the Senate of the United States or by the people of Kentucky or by the President of this Republic, and that is the approval of my own conscience and my own self-respect. That self-respect and the rectitude of that conscience I propose on this occasion to maintain.

I thank Heaven that my future happiness does not depend upon whether I shall retain the post of majority leader of the Senate for another hour. As proof of that, Mr. President, and in confirmation of this statement, I have called a conference of the Democratic majority for 10:30 o'clock tomorrow morning in the conference room of the Senate Office Building, at which time my resignation will be tendered and my services terminated in the post which I now hold at this desk.

Before leaving it, Mr. President, I wish to say that I have disagreed many times with my colleagues here on both sides of

the political aisle; but I have sought to earn their respect and their esteem. Before I depart from this station I wish to express my deep appreciation for the courtesies which I have uniformly received. I shall carry with me to my dying day the most sacred memories of long and honorable service in the two branches of the Congress of the United States.

Mr. President, let me say, in conclusion, that if the Congress of the United States has any self-respect yet left it will override the veto of the President and enact this tax bill into law, his objections to the contrary notwithstanding. [Prolonged applause on the Senate floor, Senators rising.]

Mr. HOLMAN. Mr. President, supplementing the remarks of the distinguished and honored Senator from Kentucky [Mr. BARKLEY], I refer to paragraph (c) on the second page of the President's message of yesterday. This paragraph refers to and comments upon the item in the tax bill which relates to the lumber industry.

The production of lumber and timber constitutes the greatest single industry in the entire Oregon section. I have received a number of messages relative to this item in the President's veto message, amongst them a telegram from David T. Mason, of Portland, Oreg. It so well expresses the thoughts of those who have their investments in and are devoting their lives to the development and production of timber in the Oregon area, that I ask unanimous consent to have it printed in the body of the RECORD following my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., February 22, 1944.
HON. RUFUS HOLMAN,
United States Senate,
Washington, D. C.:

Reference President's veto message of revenue bill, I understand message in part states in effect, "Lumber industry is allowed to treat income from cutting of timber as capital gain rather than as ordinary annual income. As a grower and seller of timber, I believe timber should be considered a crop, and the income should be taxed as ordinary annual income. This would encourage private forestry." The President is 100 percent wrong in the last two sentences quoted, for it is now widely recognized that the greatest present obstacle to private forestry is the present income tax law, because it does tax income from cutting of timber as ordinary annual income. If timber were an annual crop like corn it should be so taxed, but timber crops generally require 50 years or more to grow to the harvest stage, during which long period of growth without protection by insurance they are exposed to great hazards of fire, insects, disease, wind, and other damage. The gain from such a crop is not an ordinary income created within the tax year, but is a capital gain created over a long period of years and such gain should be taxed as a capital gain, just as capital gains of other kinds are already taxed under existing income tax law. In recognition of the present discrimination against timber the Congress—in this revenue bill—provided for suitable equitable tax treatment upon the recommendation of forest owners, of State foresters, of eminent professional foresters,

of the congressional Committee on Small Business, of the War Production Board, and of others.

DAVID T. MASON.

EXTENSION OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the joint resolution (S. J. Res. 116) continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). The joint resolution is open to amendment.

Mr. LA FOLLETTE. Mr. President, if there is no other amendment to be offered, I desire to present one on behalf of the senior Senator from Ohio [Mr. TAFT] and myself.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of the joint resolution it is proposed to insert the following new section:

Sec. —. In cases where producers have expanded or hereafter expand production of nonbasic agricultural commodities pursuant to any public announcement made under section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes," approved July 1, 1941, as amended, it shall be the duty of the Secretary of Agriculture or the War Food Administrator through loans, purchases, and other operations under such section 4 (a), to completely fulfill all commitments made to such producers. In order to carry out the purposes of this section, the Secretary of Agriculture or the War Food Administrator shall use such of the funds available for carrying out the provisions of such section 4 (a) as may be necessary, and such funds are hereby made available for such purpose.

Mr. LA FOLLETTE. Mr. President, this amendment is offered in order that there may be a reaffirmation by the Congress of the policy of assuring farmers who have expanded their production in the past, or who have agreed to expand it in the future, the support prices upon the basis of which they have made the expansion of production.

I wish to say that the amendment is not intended to be critical of anyone, but it is felt by many familiar with the situation that it would be very helpful in bringing about future responses of farmers to the requests of the Government for expanded production if this reaffirmation of the purpose to grant support prices in every instance where possible could become a part of the pending joint resolution.

Mr. President, I wish to call attention to the fact that in my own State—and I think the statement is applicable to the States of many other Senators—a situation has developed with regard to the price of eggs which has made the position of those who responded to the appeal for increased production of poultry and poultry products very difficult.

I was advised early this month by Mr. Button, the director of the Wisconsin State Department of Agriculture, that in January the average price of eggs in Wisconsin was below 30 cents a dozen, and that with rising production costs poultry is being disposed of rapidly. Egg production during 1944 is expected to be substantially under that of 1943.

Perhaps a great deal of the damage, so far as pork production is concerned, has already been created. However, I feel that action by the Senate and the Congress in adopting the amendment now proposed to the pending joint resolution will have a reassuring effect, insofar as the farmers are concerned, because it will demonstrate that Congress is determined to assure them support prices for their commodities insofar as possible, in cases in which they have expanded production in the past, or in which they may be asked to expand production in the future.

The amendment really speaks for itself. I conferred with the Senator from Kentucky [Mr. BARKLEY] concerning it, and he indicated to me that he had no opposition to the amendment. Since it is merely a reaffirmation of the policy which we all wish to have followed, and since I cannot believe that it would have any effect in delaying consideration of the joint resolution, I tender it to the judgment of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LaFollette] for himself and the Senator from Ohio [Mr. TAFT].

The amendment was agreed to.

Mr. BUSHFIELD. I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 7, it is proposed to insert the following:

Sec. 2. No funds appropriated to, borrowed by, or in the custody or control of any governmental agency (including any Government-owned or Government-controlled corporation) shall be directly or indirectly used by or made available to the Commodity Credit Corporation or any other governmental agency (including any Government-owned or Government-controlled corporation) to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part therefrom, including milk and livestock and the products thereof, either to reduce or maintain, or in lieu of increasing, maximum prices established on such commodities: *Provided*, That with respect to any such commodities for which programs involving such payments or losses have been announced on or before October 13, 1943, such programs may be carried out to the extent only that funds are available for such purpose under existing law, but winding up and liquidating such programs shall proceed after the date of enactment of this act, and shall be completed within a reasonable time not later than June 30, 1944: *Provided further*, That support prices shall continue to be maintained and announced for any such commodities pursuant to section 4 of Public Law No. 147, approved July 1, 1941, as amended, and loans shall continue to be made pursuant to section 8 of Public Law No. 729, approved October 2, 1942, but any maximum prices heretofore or hereafter established for such commodities shall not be below the support prices therefor or below the prices specified in section 3 of Public Law, No. 729, approved October 2, 1942: *And provided further*, That nothing herein shall be construed to prevent the making of parity payments, soil-conservation payments, or benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended, or the sale of feed wheat as authorized by existing law.

Mr. BANKHEAD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	Radcliffe
Andrews	Gerry	Revercomb
Austin	Gillette	Reynolds
Bailey	Green	Russell
Bankhead	Guffey	Shipstead
Barkley	Hatch	Smith
Bilbo	Hayden	Taft
Bone	Hill	Thomas, Idaho
Brewster	Holman	Thomas, Utah
Bridges	Jackson	Tunnell
Buck	Johnson, Colo.	Tydings
Burton	La Follette	Vandenberg
Bushfield	Lucas	Wallgren
Butler	McClellan	Walsh, Mass.
Byrd	McFarland	Walsh, N. J.
Capper	McKellar	Weeks
Caraway	Maybank	Wheeler
Chavez	Mead	Wherry
Clark, Idaho	Millikin	White
Clark, Mo.	Moore	Wiley
Connally	Murdock	Willis
Davis	Nye	Wilson
Eastland	O'Daniel	
Ferguson	Overton	

The PRESIDING OFFICER. Seventy Senators having answered to their names, a quorum is present.

Mr. BUSHFIELD. The amendment I propose at this time is the same as section 3 of the bill which was vetoed by the President. In effect it prohibits, with certain exceptions, the payment of consumer subsidies.

The bill which was vetoed was passed by substantial majorities in both Houses of Congress. If the House of Representatives and the Senate were correct in their votes at that time, a Presidential veto does not change the existing facts. We were correct at that time, at least, a large majority of us thought we were; and we are still correct, in our own opinion. I have offered the amendment for that purpose, because I believe it should be contained in any extension of the Commodity Credit Corporation Act. I ask for a yeas-and-nays vote on the amendment.

The yeas and nays were not ordered.

Mr. BANKHEAD. Mr. President, I shall not go into the subject. We threshed it out, and the Senate passed the bill, and the President vetoed it.

Now we are endeavoring to save the Commodity Credit Corporation agency in which all the farmers are deeply interested. Of course, if the amendment were adopted, and if the joint resolution containing the amendment were passed by the House, it necessarily would be vetoed again. That would simply be a matter of marching up the hill and marching down again.

So I hope the amendment will not be agreed to, and I speak in the interest of the farmers when I say that.

Mr. TAFT. Mr. President, this is like history repeating itself. I remember that last spring we passed a bill substantially like the bill we passed this year. It was vetoed. The veto was upheld in the House, and again we had the question of passing a bill extending the life of the Commodity Credit Corporation. At that time I think I voted in favor of another amendment prohibiting subsidies, or at least limiting the amount

of subsidies. I think I offered such an amendment.

Of course, it is true that the pending joint resolution impliedly approves for the time being, at least, the subsidy program. However, I feel differently this time, for this reason: The Price Control Act of 1942 and the Stabilization Act of October 1942 both expire on the 30th day of June. The authority to pay subsidies—at least, the authority to pay roll-back subsidies—through the Reconstruction Finance Corporation rests, I think, very uncertainly on the provisions of the Price Control Act of 1942. It seems to me that we have a very much more effective method of dealing with the subsidy question in the Price Control Act than we have in this particular joint resolution.

As a matter of fact, the amendment which has been offered, and which was contained in the other bill, would continue the present subsidy program until the 1st of July 1944. Consequently, the Price Control Act expiring at that time, we can deal just as well with subsidies after the first of July, through the Price Control Act, as we can deal with them in the pending joint resolution. In fact, we can deal much more effectively with them through the Price Control Act, because, of course, it will be impossible to veto an extension of the Price Control Act even though it limits the payment of subsidies, because it is obvious that the price-control system must continue after the 1st of July. I believe we can deal much more constructively with the question of subsidies, I believe we can pick out the kind of subsidies which should be approved and those which should not be approved, more effectively in rewriting that section of the Price Control Act than we can do in the pending joint resolution.

So, Mr. President, despite the fact that I sympathize with the purposes of the Senator from South Dakota [Mr. BUSHFIELD], I believe the practical thing to do at the present time is to pass the pending measure providing for an extension of the Commodity Credit Corporation Act, and to postpone the entire subsidy controversy until we have to deal with the renewal of the Price Control Act of 1942.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

Mr. BUSHFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Chavez	Johnson, Colo.
Andrews	Clark, Idaho	La Follette
Austin	Clark, Mo.	Lucas
Bailey	Connally	McClellan
Bankhead	Davis	McFarland
Barkley	Eastland	McKellar
Bilbo	Ferguson	Maybank
Bone	George	Mead
Brewster	Gerry	Millikin
Bridges	Gillette	Moore
Buck	Green	Murdock
Burton	Guffey	Nye
Bushfield	Hatch	O'Daniel
Butler	Hayden	Overton
Byrd	Hill	Radcliffe
Capper	Holman	Revercomb
Caraway	Jackson	Reynolds

Russell	Tydings	Wherry
Shipstead	Vandenberg	White
Smith	Wallgren	Wiley
Taft	Walsh, Mass.	Willis
Thomas, Idaho	Walsh, N. J.	Wilson
Thomas, Utah	Weeks	
Tunnell	Wheeler	

The PRESIDING OFFICER. Seventy Senators have answered to their names. A quorum is present.

Mr. BUSHFIELD. I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered. The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was rejected.

Mr. BUTLER. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, after line 6, it is proposed to insert the following new section:

SEC. 2. Section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby further amended by changing the designation thereof to section 7 (a); and by striking out the period at the end of such section and inserting in lieu thereof a colon and the following:

"Provided, however, That the Corporation shall at all times maintain complete and accurate books of account and shall determine the procedures to be followed in the transaction of the corporate business.

"(b) The financial transactions of the Corporation beginning with the period from July 1, 1944, shall be audited by the General Accounting Office in accordance with the principles applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States: Provided, That the Corporation shall continue to have the authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers: Provided further, That a report of such audit shall be made to the Congress, together with such recommendations as the Comptroller General may deem advisable, and that each such report shall cover a period of 1 fiscal year: Provided further, That a copy of each such report shall be furnished the Secretary of the Treasury and that the findings contained therein shall be considered by the Secretary in appraising the assets and liabilities and determining the net worth of the Corporation under sections 1 and 2 of the act of March 8, 1938 (52 Stat. 107), as amended: Provided, however, That nothing in this section shall be construed as modifying legislation authorizing the use of funds of the Corporation for administrative expenses and requiring accountability therefor.

"(c) The expenses of the audit as provided in this section may be paid up to and including June 30, 1946, from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General: Provided, That any such advances or reimbursements shall be considered as nonadministrative expenses of the Corporation. For the purpose of such audit the representatives of the General Accounting Office shall have access to all papers, books, files, accounts, financial records, warehouses, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation and shall be afforded full facilities for verifying transactions with the balances in depositaries and

with fiscal agents: *Provided further*, That the certified financial reports and schedules of the fiscal agents of the Corporation based on commercial audits in the usual course of business may be accepted by the General Accounting Office in its audit of the financial transactions of the Corporation as final and not subject to further audit verification.

"(d) Any examination of the corporate records shall be made at the place or places where such records are normally kept in the transaction of the corporate business, and the Corporation shall retain custody of contracts, vouchers, schedules, or other financial or accounting documents, either original or duplicate, relating to its nonadministrative transactions."

Mr. BUTLER. Mr. President, I should like to have the RECORD show that the amendment is offered by the Senator from Virginia [Mr. BYRD] and myself. I merely wish to state that the amendment as read is a clause lifted from the original bill offered by the Senator from Alabama [Mr. BANKHEAD], and has to do only with the requirement of financial reports being handled through the General Accounting Office. I am not certain but that the Senator from Alabama is willing to accept the amendment.

Mr. BANKHEAD. I have no objection to the adoption of the amendment as read. I think it is a good amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska on behalf of himself and the Senator from Virginia [Mr. BYRD].

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the joint resolution.

Mr. SHIPSTEAD. Mr. President, before the vote is taken, I wish to read a letter which I have received from a farmer in Minnesota. The letter is typical of letters which I have been receiving from all over the State. It deals with farm prices and how the farmers feel about them. I have received many other letters on the same subject, but this one is so illuminating, so typical, and so well written that I wish to read it into the RECORD. I have permission from the writer to put it into the RECORD. I read it as being a typical letter. The letter is as follows:

Senator SHIPSTEAD,

Washington, D. C.

DEAR SIR: I read nearly every day about how much money the farmer is making and what the Government plans to do with the enormous farm income. Evidently I live on the wrong farm, for to date I haven't seen an oversupply of loose change here.

Fifteen months ago, the Government was selling wheat at 75 cents per bushel for feed. The hogs raised on that wheat sold for \$15.25. Today that same wheat is over \$1.30 per bushel and hogs are \$13.45 top. Does the Government expect the farmer to pay his taxes out of that?

Two months ago, I sold eggs at the store for 42 cents per dozen and paid \$4.50 per hundredweight for concentrate. One month ago, I sold eggs for 27 cents per dozen, a drop of 15 cents, and paid \$4.65 per hundredweight for the same brand of concentrate. That makes a cut of very near \$100 per month in income from a flock of 400 chickens. And

they tell me eggs are selling at 60 cents per dozen to consumers in Washington.

His letter is dated January 11. At that time my household was paying 68 cents for small eggs and 72 cents for ordinary large-size eggs. He continues:

I can't find anything left to buy bonds or pay taxes out of eggs, either.

Now, I am also selling milk to the North American Creamery. I get \$2.45 per hundred-weight after expenses are out for hauling. That pays for their feed and about 20 cents per hour for labor. Then I take a sheet of paper down to the A. A. A. and collect 30 cents per hundredweight subsidy. Perhaps I can find a few cents out of that for taxes. I don't feel that the subsidy money is honest money anyway, but I can't afford to turn it down. I can't understand why we aren't allowed to have an honest price for our produce. I don't know what the feeling is like to be a W. P. A. worker or receive any relief money distributed by the New Deal, but now we are practically forced to go down and ask for part of our pay check.

He means he has to go down to the triple A office to get his 30 cents a hundred pounds on milk. That means that he must drive down to that office, and burn up gasoline in order to obtain the 30 cents instead of being paid through the creamery. He says:

If we must have subsidies why can't it be paid through the creamery?

In short there must be something rotten in Denmark. It is no wonder farmers are selling out. There will be one more right here this year if the situation doesn't change.

My brother, Marvin, * * * has been in the Army for nearly 3 years. My wife's brother has been in New Guinea for 19 months, and we want to do all possible to help them get home as soon as possible.

If I keep my hogs, I have to buy more feed. If I kill them or starve them, it's a big job to dispose of them. If I feed them, I've got to pay it out of my pocket. What would you suggest? The chickens don't worry us much because they are pretty good eating.

My suggestion is that we get all the farmers in Washington out on farms with the rest of us, or else let them keep their fingers out of it and stop telling the farmers how it's done.

If we are going to have subsidies, crop control, permits to market our produce, rationing, and all the alphabetical bureaus and control groups, burning up new tires and gasoline to spy on the rest of the public (they call it law enforcement), why doesn't the Government establish a national W. P. A. and have everyone work for the New Deal. I am told that is the way it works in Russia.

Yours truly,

O. R. HANSEN.

The PRESIDING OFFICER. If there be no further amendment, the question is on the third reading of the joint resolution.

Mr. WHERRY. Mr. President, I should like to offer from the floor an amendment to the joint resolution. I move to strike out the words "June 30, 1945" in line 6 and to insert in lieu thereof the words "December 31, 1944."

I offer that amendment constructively. I feel that the date proposed will provide a sufficient length of time for the Commodity Credit Corporation to continue in operation. The crop will have been raised; production will have been had, and if the life of the Corporation be extended to December 31, 1944, its existence will continue to the last day of this Congress. After the November elec-

tion, 1 month will remain in which it can be renewed; and we will have a month in which we can consider continuing incentive payments, payments for support prices and also consumer subsidies; but if we extend it to June 1945, this Congress is in reality binding the succeeding Congress on the payment of consumer subsidies, which has been the bone of contention in this entire legislative program.

I think the Senator in charge of the joint resolution should accept the amendment because if we extend the Commodity Credit Corporation until December 1944, we will give every producer of crops a chance to know what the situation is, his incentive payments will be made, there will be no question about present subsidies, and during the time from November to December 31, Congress will be given an opportunity to reconsider or consider whether or not they want to extend the consumers' subsidies during that period and for the next 6 months of 1945.

I do not want to debate the issue concerning consumers' subsidies; that is not the relief I am asking for. I feel we should not bind the new Congress by continuing the Commodity Credit Corporation with a blank check until June 1945. I think we ought to terminate it on December 31 of this year, and then have a reconsideration of the legislation and decide to pay or not to pay subsidies, and let the next Congress decide that question.

Mr. BANKHEAD. Mr. President, I regret to see a disposition in some quarters to resist substantial continuance of the Commodity Credit Corporation. It is the only financing agency of the Government that renders direct and helpful service to the farmers all the year around. The joint resolution before the Senate proposes to let the Commodity Credit Corporation continue until June 30 of next year, which will be the end of the fiscal year. That is exactly the provision contained in the bill which the committee twice reported and which the Senate by a large majority adopted. It is a copy taken from the bill which we passed, just as the section the Senator from Nebraska offered is a copy taken from that bill.

The Commodity Credit Corporation has statutory duties, mandatory duties, to perform at least 2 years after the conclusion of the war. So, instead of shortening the time of the life of the Commodity Credit Corporation, we ought in fact to extend it at least to cover the period during which Congress has placed upon it duties to perform.

Mr. WHERRY. If the Senator will yield, I inquire what would that date be?

Mr. BANKHEAD. I cannot tell the Senator, but whatever the date, the Commodity Credit Corporation has duties in the matter of loans on basic commodities given to it by Congress and which it is required to execute.

Mr. WHERRY. I want to say to the Senator that it will be perfectly satisfactory to me to have it run over to next year. I would let the Senator write the date in. I do not want to hurt in any

way the production of any crop, wool, sugar, or any other crop, which might be suggested, but my theory is when that crop period is over we should not extend consumer subsidies any longer.

Mr. BANKHEAD. Consumer subsidies have nothing to do with the Commodity Credit Corporation. If we did not have any consumer subsidies, the R. F. C. could engage in providing them. The Senator knows my position about that and no Member of the Senate worked harder against subsidies than did the Senator from Nebraska. The Commodity Credit Corporation is a farmers' organization, and merely extending it to next June does not make a great deal of difference, for we will have an opportunity before that time, if we want to deal with the subsidy question, to deal with it in connection with the renewal of the O. P. A.

Mr. AIKEN and Mr. TAFT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Alabama yield; and if so, to whom?

Mr. BANKHEAD. I yield first to the Senator from Vermont.

Mr. AIKEN. I ask the Senator from Alabama if this date is left as it now is, can the Commodity Credit Corporation make commitments running all through the crop year 1945? It appears to me that the purpose of the Senator from Nebraska is not to prevent payment of subsidies that are promised on this year's crop, but to prevent the Commodity Credit Corporation from promising them a full year ahead, even though the next Congress might outlaw them?

Mr. BANKHEAD. As the Senator knows, we will have opportunity in June to deal with that before the new crop is planted.

Mr. TAFT. Mr. President—

Mr. BANKHEAD. I yield to the Senator from Ohio.

Mr. TAFT. The Commodity Credit Corporation cannot, as I see it, commit itself to pay subsidies next year. All the Commodity Credit Corporation can commit itself to is to pay support prices. The question whether or not such support prices shall be passed on to the consumer is a question of price control, and can be dealt with in the Price Control Act when we review that act. It does not seem to me that by continuing the Commodity Credit Corporation we in any way commit ourselves to the payment of subsidies, except as the Commodity Credit Corporation or the Price Control Administrator refuse to pass on prices paid by the Commodity Credit Corporation. What we were trying to do in the antisubsidy amendment applied not only to the Commodity Credit Corporation, but it applied to the Price Administrator and it applied to the R. F. C., and to all other agencies. The actual continuation of the Commodity Credit Corporation, as I see it, does not in any way change the subsidy situation from what it is today.

Mr. BANKHEAD. The Senator is entirely correct.

Mr. TAFT. I think obviously the place to deal with it is in the renewal of the Price Control Act that expires on the

1st of July, and we will have full opportunity then to say how long subsidies may be continued.

Mr. WHERRY. Mr. President, with the explanation of the senior Senator from Ohio, I withdraw the amendment, inasmuch as we can consider it before July when the extension of the Price Control Act is under consideration.

Mr. BANKHEAD. I thank the Senator.

The PRESIDING OFFICER. The amendment of the Senator from Nebraska is withdrawn. If there be no further amendments the joint resolution will be read the third time.

The joint resolution (S. J. Res. 116) was ordered to be engrossed for a third reading, read the third time, and passed, as follows: *

Resolved, etc., That the first sentence of section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby amended, as of February 17, 1944, by striking out "February 17, 1944" and inserting in lieu thereof "June 30, 1945."

THE PRESIDENT'S VETO OF THE REVENUE BILL

Mr. DAVIS. Mr. President, as a member of the Senate Finance Committee, which has devoted several difficult and laborious months to the formulation and development of the current tax bill, I feel impelled to comment briefly with respect to the President's recent veto of that legislation which bore the sincere endorsement of the vast majority of both Houses of the Congress.

It is my belief, Mr. President, that the Chief Executive was ill-advised in taking the veto step, and I cannot but feel that his action is not in the interests of the general welfare of the Nation.

As one who has watched the development of this issue from the day the Treasury Department with the President's approval first submitted its impossible program for the raising of ten and one-half billion dollars in additional revenue—a program which was steeped in political considerations and a complete disregard for the welfare of the vast majority of the small businessmen and white-collar workers in America—and as one who has witnessed the absolute hostility of the Treasury Department and the executive department to the various revenue-raising proposals presented in the Congress, I can only say that I challenge the President and any of his aides to make out a case for the tax program which they advocate.

The Members of the Congress have sincerely and conscientiously worked to prepare a tax bill which would provide needed revenues to the National Government, and which at the same time would not completely destroy the economic security of this Nation and render our people helpless in the face of approaching post-war years.

I feel very keenly about this recent action taken by the President; but I do not desire at this time to impose further upon the Senate. Therefore, I shall conclude my remarks by asking unanimous consent to have inserted in the RECORD at this point as a part of my remarks.

an editorial which appeared in this morning's issue of the Philadelphia Inquirer entitled "Veto of Tax Bill a Mistake." This editorial sets forth in clear language my own reaction to the Presidential veto of the tax bill.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

VETO OF TAX BILL A MISTAKE

In vetoing the 1944 tax bill the President says he is impelled by regard for the public interest. The Inquirer believes that, in the broader view, his action is opposed to the public interest.

We say this with full realization of the measure's many faults and deficiencies to which we have so frequently and pointedly directed attention.

Even additional tax revenue of more than \$2,000,000,000 is inadequate. But it is not negligible. It should have been far more and might easily have been if the Treasury and the administration had cooperated with Congress and if both branches of the Government had shown courage and wisdom in seeking rich sources of revenue as yet untapped.

The President's message mentions as an offset to the extra taxes provided by this bill its freezing of the social-security taxes, which, he says, would deprive the Treasury of more than a billion dollars.

Aside from the fact that the so-called social-security taxes are not real taxes—even though utilized to meet the Government's running expenses—since they represent money which will have to be returned to the contributors, their wholly inexcusable doubling at this time would place an unnecessary burden on wage earners and business.

The effect would be to hinder employment and to raise costs of production and consequently increase prices. The provision for keeping social-security taxes at their present levels is one of the commendable features of this tax bill, and it is to be hoped that whatever Congress may or may not do, it will reenact this provision, even if in different form.

That would not deprive the Government of any revenue it is now receiving from this source.

Considering that this bill would take half a billion dollars more from corporations, \$665,000,000 more from individual incomes, and a billion dollars more in excise taxes, it is difficult to follow Mr. Roosevelt's reasoning that it is "not a tax bill, but a tax relief bill, providing relief not for the needy but for the greedy."

The failure to make the slightest move toward simplifying the many complicated and confusing provisions of the present law is a matter to which the President rightly calls attention.

In enumerating what he regards as fatal faults of this measure, besides its inadequacy as a revenue producer, Mr. Roosevelt noticeably omits any constructive recommendations for taxes to supply the Government's needs.

Now, when the national income is at its peak, is the time to get as much money as possible from taxes and hold down the proportion of borrowing. But it can't be obtained from the only program the Treasury has deigned to suggest or support—from those incomes that have virtually nothing more left from which to give.

Secretary Morgenthau has persistently refused to advocate "taxing where the money is"—incomes swollen by the war—or to consider a general retail sales tax, the simplest and least burdensome levy, with the additional advantage of curbing inflation.

If Congress, unwilling to see the Government lose these two billions of extra revenue,

should pass this bill over the President's veto, its prime duty would still remain.

This is to enact a simple but comprehensive measure, possibly entailing a thorough overhauling of our present tax system, which will bring in all the money required, but at the same time equitably distribute the common burden.

EXECUTIVE MESSAGE REFERRED

As in executive session, The PRESIDING OFFICER (Mr. MURDOCK in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations in the United States Public Health Service, which was referred to the Committee on Finance.

(For nominations this day received, see the end of Senate proceedings.)

RECESS

Mr. HILL. I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 2 o'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Thursday, February 24, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 23 (legislative day of February 7), 1944:

PROMOTIONS IN THE REGULAR CORPS OF THE UNITED STATES PUBLIC HEALTH SERVICE

ASSISTANT SURGEONS TO BE PASSED ASSISTANT SURGEONS EFFECTIVE FROM THE DATES INDICATED

Nunzio J. Carrozzo, March 4, 1944.

John L. Lincoln, February 19, 1944.

Carl Enna, March 19, 1944.

Joseph A. Moore, February 7, 1944.

PASSED ASSISTANT SURGEONS TO BE SURGEONS EFFECTIVE JANUARY 4, 1944

David C. Elliott
Benton O. Lewis

PASSED ASSISTANT DENTAL SURGEONS TO BE DENTAL SURGEONS EFFECTIVE FEBRUARY 5, 1944

Oscar Mikkelsen
Mark E. Bowers

DENTAL SURGEON TO BE SENIOR DENTAL SURGEON EFFECTIVE FEBRUARY 11, 1944

William C. Parker

ASSISTANT SANITARY ENGINEER TO BE TEMPORARY PASSED ASSISTANT SANITARY ENGINEER EFFECTIVE FEBRUARY 1, 1944

Kaarlo W. Nasi

PASSED ASSISTANT SANITARY ENGINEER TO BE TEMPORARY SANITARY ENGINEER EFFECTIVE FEBRUARY 1, 1944

Franz J. Maier

SENIOR SURGEONS TO BE MEDICAL DIRECTORS EFFECTIVE MARCH 18, 1944

John F. Mahoney
Marion F. Haralson

SURGEONS TO BE SENIOR SURGEONS EFFECTIVE FROM THE DATES INDICATED

Edwin H. Carnes, January 21, 1944.

Gregory J. Van Beeck, March 11, 1944.

Franklin J. Halpin, February 21, 1944.

PASSED ASSISTANT SURGEON TO BE TEMPORARY SURGEON EFFECTIVE JANUARY 1, 1944

Dale C. Cameron

The following officers are now serving under temporary commissions:

Nunzio J. Carrozzo

John L. Lincoln

Joseph A. Moore

David C. Elliott

Benton O. Lewis

Oscar Mikkelsen

Mark E. Bowers

Edwin H. Carnes

Gregory J. Van Beeck

Franklin J. Halpin

House of Representatives

WEDNESDAY, FEBRUARY 23, 1944

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, our Father, we rejoice that, through space we cannot measure and by laws we cannot understand, our times are in Thy hands. We pray for the light of Thy truth to make wise our understanding that we may have clear discernment in all our conclusions; ours is a moral duty which no one can justly ignore or evade. Remind us of the scroll of those who, in every age, have stood forth for justice, tamed wickedness, and contributed to the ethical standards of their day. Let the volume of their experience inspire us to carry our convictions and visions with rapture into our national life.

Heavenly Father, in our need of Thee we kneel at Thy holy altar, making humble confession of our mortal sins; have mercy upon us and forgive all that is past. O God, if needs be, reproach us, discourage our faint-heartedness, and share our problems. Allow not Thy voice to be lost in the roar of the world's earthquake, wind, and fire; O make us equal to the demands of its tragedy. Blessed Lord, while clouds may cluster about the morning star they are destined to fade into a new and glorious day. Let Thy kingdom come in all our hearts, speaking kindly words: Charity thinketh no evil; a soft answer turneth away wrath; behold how good and pleasant it is for brethren to dwell together in unity. In the spirit of our Lord and Saviour. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

GEN. FRANK T. HINES

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 872) to authorize the President to appoint Frank T. Hines a brigadier general in the Army of the United States, with House amendments thereto, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER appointed the following conferees: Mr. MAY, Mr. THOMASON, Mr. SPARKMAN, Mr. ANDREWS, and Mr. SHORT.

PLACING FOURTH-CLASS POSTMASTERS ON SALARY BASIS

Mr. BURCH of Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 324) to

place postmasters at fourth-class post offices on an annual salary basis, and fix their rate of pay; and provide allowances for rent, fuel, light, and equipment, and fix the rates thereof, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection.

There was no objection.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk reported the title of the bill.

The SPEAKER appointed the following conferees: Mr. BURCH of Virginia, Mr. WHELCHER of Georgia, Mr. WARD, Mr. HARTLEY, and Mr. MASON.

GRANTING INCREASES IN COMPENSATION TO SUBSTITUTE EMPLOYEES, POSTAL SERVICE

Mr. BURCH of Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2836) to grant increases in compensation to substitute employees in the Postal Service, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER appointed the following conferees: Mr. BURCH of Virginia, Mr. WHELCHER of Georgia, Mr. WARD, Mr. HARTLEY, and Mr. MASON.

PENSIONS TO SOLDIERS, INDIAN WARS, 1817 TO 1898

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 85) to amend the act of March 3, 1927, entitled "An act granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk reported the title of the bill.

The SPEAKER. The Clerk will report the Senate amendments:

The Clerk read as follows:

On page 2, line 15, after "for", insert "not exceeding 3 years of."

On page 3, line 4, after "during", insert "3 years of."

On page 3, line 5, after "service", insert "immediately prior to the approval of this act."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. As I understand it, these amendments make no material change in the bill at all?

Mr. LESINSKI. They make no material change. This bill was passed by the House on June 28, 1943.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

UNITED NATIONS RELIEF AND REHABILITATION ORGANIZATION

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 192, to enable the United States to participate in the work of the United Nations Relief and Rehabilitation organization, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The Clerk will report the title of the joint resolution.

The Clerk reported the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER appointed the following conferees: Mr. BLOOM, Mr. LUTHER A. JOHNSON, Mr. EATON.

FOURTH INTERMEDIATE REPORT OF THE SELECT COMMITTEE TO INVESTIGATE EXECUTIVE AGENCIES

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 1168) back favorably without amendment a privileged resolution (H. Res. 435) authorizing the printing of additional copies of the Fourth Intermediate Report (H. Rept. No. 1024) of the Select Committee to Investigate Executive Agencies, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That 6,000 additional copies of the Fourth Intermediate Report (House Rept. No. 1024) of the Select Committee to Investigate Executive Agencies be printed for the use of said committee.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INTERREGIONAL HIGHWAYS

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 1169) back favorably without amend-

ment, a privileged concurrent resolution (H. Con. Res. 67) authorizing the printing of additional copies of House Document No. 379, current session, being a message from the President of the United States transmitting a report of the National Interregional Highway Committee outlining and recommending a national system of interregional highways, and ask for immediate consideration thereof.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed 5,800 additional copies of House Document No. 379, current session, being a message from the President of the United States transmitting a report of the National Interregional Highway Committee outlining and recommending a national system of interregional highways, of which 2,200 copies shall be for the use of the House document room, 2,200 copies for the use of the House folding room, 700 copies for the use of the Senate document room, and 700 copies for the Senate folding room.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

CHRONOLOGY OF MAJOR INTERNATIONAL EVENTS

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 1170) back favorably without amendment a privileged resolution (H. Res. 425) authorizing the printing of the manuscript entitled "Chronology of Major International Events, With the Ostensible Reasons Advanced for Their Occurrence," as a House document, and I ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

Resolved, That the manuscript entitled "Chronology of Major International Events, With the Ostensible Reasons Advanced for Their Occurrence," prepared by the Legislative Reference Service of the Library of Congress, be printed as a House document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks by including a speech I made in Boston on Sunday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

FRANCESCO P. MASTRILLI

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 480) for the relief of Francesco P. Mastrilli, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

On page 2, line 3, after "shall," insert "upon being charged to the Italian quota."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

HENRY ANGELL

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2131) for the relief of Henry Angell, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 12, after "shall," insert "upon being charged to the quota of the country in which he was born."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. RANKIN. Mr. Speaker, reserving the right to object, in what country was he born?

Mr. DICKSTEIN. I think he was born in Rumania. I believe he was born in Rumania, I am not sure. This is a bill introduced by the gentleman from West Virginia [Mr. ELLIS]. I do not have the record here. It has passed the House and it has passed the Senate. But the Committee on Immigration and Naturalization failed to put in that he should be charged to the quota of the country in which he was born, and that a number should be deducted from that quota.

Mr. RANKIN. Mr. Speaker, I think when you go letting these aliens in this country—

Mr. DICKSTEIN. They are here already.

Mr. RANKIN. All right, there are too many here now. That is what I am objecting to. When you make them citizens and admit them, you ought to give the country to which they are to be charged. There is too much laxity. Let me ask the gentleman from West Virginia [Mr. ELLIS], what country did this man come from?

Mr. ELLIS. The records I have indicate Poland. He is a young man who came here in 1913 and served in the Army of the United States. He went to China with the Army and served throughout the World War and never took the trouble to get his citizenship.

Mr. RANKIN. I understand. What I am trying to find out is what country he came from. He ought to know what country he is from.

Mr. ELLIS. I say, my record is that he was born in Poland.

Mr. RANKIN. Then the bill ought to show that he is charged to the Polish quota, to the Republic of Poland.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. MARTIN of Massachusetts. Mr. Speaker, what difference does it make as long as the individual is charged to a country?

Mr. RANKIN. I understand, but he might be shifted from one country to another. I am not going to object, but I

want to say, Mr. Speaker, that from now on bills of this kind must show the country to whose quota these people are to be charged. Mr. Speaker, I withdraw my reservation of objection.

Mr. ROWE. Mr. Speaker, reserving the right to object, I would like to inquire from the chairman of the Committee on Immigration and Naturalization if these two petitions for relief were not considered at the same time that the bill concerning Mary Lovis Lovett was considered and reported by the House?

Mr. DICKSTEIN. I do not think so. I think it was a different date. These are two bills that passed the House and went over to the Senate, the Senate added these minor amendments. All we are doing is agreeing to these amendments. The matter you are referring to probably will come up on another date.

Mr. ROWE. It was objected to here last week.

Mr. DICKSTEIN. That bill went back to the committee, and it will be reported out in an omnibus bill. That will be provided for.

Mr. ROWE. I shall not object.

The SPEAKER. Is there objection to the request of the gentleman from New York?

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Tuesday next my colleague from Michigan [Mr. ENGEL] be allowed to address the House for 30 minutes on the subject of the Pentagon Building.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent that after the business on the Speaker's table is disposed of, I be permitted to address the House for 10 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE TAX BILL

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISH. Mr. Speaker, bureaucracy feeds upon two things, power and money. Take either away and the anguish thus induced is exceedingly vocal. It is hardly surprising that President Roosevelt has protested that the amount offered in the current tax bill is not sufficient. The question is, Sufficient for what? It is certainly a sufficient amount added to the forty billion per year to take out of the taxpayers' pockets. Probably it is not sufficient to support the maze of bureaus headquartered in Washington and the palace guard. It might be well for the President and his palace guard who are so opposed to Congress to visit the people back home in our own country instead of so many foreign lands that are

recipients of lend-lease supplies emanating from American taxpayers. Why not find out the condition of our own taxpayers and forget about pleas for glorified W. P. A.'s in Europe or Asia? Are Roosevelt's palace guards, the avowed enemies of Congress, so obtuse that they do not know that the American taxpayers are now paying to the limit of their capacity? Are these well-paid bureaucrats on solid ground in saying that the American taxpayers, particularly the farmers, wage earners, and white-collar workers should pay more taxes? It is beginning to look as if President Roosevelt, who has in the past claimed to be so close to the pulse of the people has forsaken them and now wants to turn them over to the mercies of tax collectors.

The SPEAKER. The time of the gentleman has expired.

EXTENSION OF REMARKS

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address made before the Dallas Agricultural Club by Mr. T. C. Richardson.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. COLMER. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an article from a radio broadcast.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two matters, first, to include an article that appeared in the Irish Echo on January 15, 1944; and also to include a radio address that I gave over radio station WLAU, on George Washington.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article by Archbishop Francis J. Spellman, entitled "Bigotry is Un-American," which appeared in the American Magazine of March 1944.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ROGERS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two subjects, first to include an editorial from the St. Louis Star Times, and second, a letter from the New Yorker magazine.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a table from the United States Department of Agriculture.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include an editorial from the New York Herald Tribune, and to extend my own remarks and to include a statement which I made before the Committee on Flood Control this morning.

The SPEAKER. Without objection it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PLOESER. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein some telegrams.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

FACTS DEVELOPED BY THE JOINT CONGRESSIONAL COMMITTEE ON NONESSENTIAL EXPENDITURES

Mr. GAVIN asked and received permission to revise and extend his remarks.

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GAVIN. Mr. Speaker, I think some of the facts recently developed by the Joint Congressional Committee on Nonessential Expenditures would prove interesting reading to the Members of the Congress.

The greatest bureaucracy of all times holds forth in Washington. Today it maintains a civilian civil-service pay roll of 3,063,379 employees. The annual pay roll of this civilian horde is over \$8,000,000,000 a year, or about twice as much as the total cost of all operations of the National Government in 1932, including the Army and Navy.

The Farm Security Administration has 2,700 local offices. The O. P. A. employs 2,700 lawyers, while the British, who also have a rationing and price administration, employ only 10.

It costs \$100,000,000 a year for the bureaucrats to travel and to communicate with their many branch offices. See America at Government expense.

Thousands upon thousands of bureaucratic directives have been issued which

supersede laws that actually are on the statute books.

Federal Government inefficiency and waste has made the war cost twice as much as it should.

The national debt is heading toward \$358,000,000,000. The intrinsic value of all property in the United States is between \$350,000,000,000 and \$400,000,000,000. Where will you be, neighbor, say about the year 1949, if anywhere? Or do you not care?

The SPEAKER. The time of the gentleman has expired.

EXTENSION OF REMARKS

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an item, Talent Search Winners.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

COMMODITY CREDIT CORPORATION AND CONSUMER SUBSIDIES

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mrs. BOLTON. Mr. Speaker, a bill to extend the life of the Commodity Credit Corporation without subsidy involvements until June 1945 will be brought us for action soon. In last week's bill the subsidy issue was paramount. In order to register my protest and the protests of my constituents against the mismanagements of those in authority, I joined with the majority of my party voting for the bill and against the veto. Now I must make clear my basic position.

Fundamentally I am opposed to Government controls and general subsidies. In normal times I would stand vigorously against them. But these are not normal times. We are at war with all the machinery of our lives thrown out of gear. Disciplines, restraints, controls are not only inevitable but are imperative. I can look at the future through my own eyes only. These show me the problems of the lowliest families; of those with frozen incomes, of all those struggling to support their children who are the hope of America's tomorrow. These show me that without some method of controls the inflation spiral already begun will sweep us out on a hideous tide. Because of certain convictions relative to what are the really fundamental issues and certain that one of the most basic needs is that for restrained and controlled action, but with no illusions relative to the self-interest and mismanagement of those in authority, I shall support a policy of restraints because my vision of the dark days that lie ahead tells me that even badly managed controls are better than no controls at all.

EXTENSION OF REMARKS

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an edi-

striking out, in section 7 thereof, the words "is authorized to procure and provide insignia" and inserting in lieu thereof the words "is authorized, without regard to section 3709 of the Revised Statutes, to procure and provide uniforms and insignia"; and by adding at the end of such act the following new sections:

"SEC. 11. (a) The head of any department, establishment, or other Federal agency is hereby authorized to request and accept transfers of student nurses, transferable pursuant to subsections (e) and (f) of section 2, to any Federal hospital operated by his agency in the continental United States, exclusive of Alaska, and to provide for the continued training of such student nurses requisite to graduation: *Provided*, That the period of training in no case shall extend beyond the period required for graduation by the institution from which the student nurse was transferred, but may be terminated at any time prior thereto as the interests of the service may require.

"(b) During the period of such training student nurses shall be entitled to a stipend at such uniform monthly rate as may be prescribed by the President, and shall be entitled to (1) travel expenses as authorized by the Subsidence Expense Act of 1926, as amended, including travel incident to their initial transfer and in returning to the location from which transferred upon completion or termination of the period of training; (2) quarters, subsistence, and laundry (including laundering of uniforms) while at Federal hospitals; and (3) necessary medical and hospital care in Federal hospital facilities: *Provided*, That no student nurse receiving a stipend fixed pursuant to this section, shall be entitled to any overtime or additional compensation under the War Over-time Pay Act of 1943. The appropriate appropriations of the agencies concerned are hereby made available for the purposes of this section.

"(c) Should any student nurse so transferred and in training suffer disability or death while in the performance of duty, she or her dependents shall be entitled, under the same conditions and to the same extent, to the benefits which are provided for civil employees of the United States to the Act of September 7, 1916, as amended (39 Stat. 742; 5 U. S. C. 751-793).

"Sec. 12. The Surgeon General shall designate distinctive insignia to be worn by nurses who have been graduated pursuant to training received under this act and who in accordance with their undertaking are engaged in essential civilian nursing services for the duration of the present war. Such insignia and the uniforms and insignia designated by the Surgeon General in accordance with section 2 to be worn by student nurses receiving training and courses under plans approved pursuant to this act, or any distinctive part of such insignia or uniform, or any insignia or uniform any part of which is similar to a distinctive part thereof, shall not be worn by any unauthorized person, under the penalties provided by the Act of June 3, 1916 (39 Stat. 216, as amended; 10 U. S. C. 1393), for the unlawful wearing of the uniform of the United States Army, Navy, or Marine Corps."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF TIME FOR ACQUISITION BY RAILROAD RETIREMENT BOARD OF CERTAIN DATA

The Clerk called the next bill, House Joint Resolution 227, extending the period for the acquisition by the Railroad Retirement Board of data needed in

carrying out the provisions of the Railroad Retirement Acts.

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved, etc., That effective June 30, 1943, and notwithstanding any other provision of law, each employer subject to the Railroad Retirement Act of 1937, and each other company, association, or person who is in possession of data required by the Railroad Retirement Board to establish service and compensation prior to January 1, 1937, shall continue after June 30, 1943, to furnish reports with respect to such data to the Railroad Retirement Board currently as completed, and be compensated therefor, under the same terms and conditions and in the same manner as provided in Public Resolution No. 102, Seventy-sixth Congress, third session, and with the same effect as though the data were furnished under that resolution, until such time as all data required have been furnished to the Board, or until such time as the unobligated balance in the special fund established by section 6 of such Public Resolution No. 102, which fund is hereby continued, has been fully obligated, but in no event later than June 30, 1945. Any unobligated balance remaining in the said special fund after all data required have been furnished to the Board or on June 30, 1945, whichever date is the earlier, shall revert to the railroad retirement account.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STOWAWAYS ON AIRCRAFT

The Clerk called the next bill, S. 1386, making it a misdemeanor to stow away on aircraft and providing punishment therefor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any person who, without the consent of the owner, charterer, or person in command of any aircraft and with intent to obtain a ride or transportation in such aircraft in flight, shall board or be within such aircraft scheduled to fly or flying between any State, Territory, or possession, or the District of Columbia, the Canal Zone or any place occupied by, or under the jurisdiction of, the armed forces of the United States and any place outside thereof; or between points within the same State, Territory, or possession, the District of Columbia, the Canal Zone, or any place occupied by, or under the jurisdiction of, any of the armed forces of the United States, but through the air space over any place outside thereof; or wholly within the air space over any Territory, possession, the District of Columbia, the Canal Zone, or any place occupied by, or under the jurisdiction of, the armed forces of the United States shall be fined not more than \$1,000 or imprisoned not more than 1 year, or both.

SEC. 2. Any person who, without the consent of the United States, its duly authorized officer or agent or the person in command of any aircraft owned or operated by the United States and with intent to obtain a ride or transportation in such aircraft in flight, shall board or be within such aircraft scheduled to fly or in flight shall be fined not more than \$1,000 or imprisoned not more than 1 year, or both.

SEC. 3. The word "aircraft" means any contrivance now known or hereafter invented, used, or designed for navigation of or flight in the air.

SEC. 4. Nothing contained in this Act shall modify, restrict, alter, or change any law

of the United States enacted for the purpose of preventing any person from entering the United States in violation of the laws of the United States or for the purpose of securing the deportation from the United States of any person who, under the laws of the United States, shall be subject to deportation.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMITTING UNITED STATES TO BE MADE PARTY DEFENDANT IN CERTAIN CASES INVOLVING PARTITION OF PROPERTY

The Clerk called the next bill, H. R. 3609, to permit the United States to be made a party defendant in certain cases, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill.

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, this is a very important bill and I would like to call upon the author, the gentleman from Indiana [Mr. SPRINGER] to explain the bill.

Mr. SPRINGER. Mr. Speaker, this bill is an amendment to title 28, section 901, of the United States Code. The original provisions of this act provided that the United States could be made a party defendant only in proceedings to foreclose mortgages and in foreclosure of liens. Approximately 2 years ago this House passed an amendment to that act which provides that in suits to quiet title the United States can be made a party defendant. Since the war began, and due to the acquisition of many rights and claims by the Government, some of the owners of the real estate upon which these claims and rights have been and are asserted have died. Their estates are in process of settlement and there has been no method provided by which the title to real estate and personalty can be cleared. It is highly desirable that the claim or right of the Government may be ascertained and determined in order that estates may be promptly settled.

The pending bill, now before the House, merely extends the right to make the United States a party defendant and to extend that right to make the United States a party defendant in partition proceedings and in petitions or proceedings filed by administrators and executors to sell real estate to pay debts, in order that the title to the real estate may be cleared, the claim of the United States ascertained, thus enabling the estate to be settled promptly and the entire matter concluded and completed.

This bill was reported out of the Judiciary Committee of the House by a unanimous report for its passage.

This legislation is badly needed at this time. In the future years, as we readjust ourselves, following this war, this amendment to existing law will be found to be very helpful. Many attorneys have requested that the amendment, which I have here presented, be passed in order to facilitate the settlement of estates and in order to clear the title to both real estate and personal property.

Mr. Speaker, it is my hope that this measure will be passed without opposition.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to permit the United States to be made a party defendant in certain cases," approved March 4, 1931, as amended (46 Stat. 1528, U. S. C., title 28, sec. 901), be, and the same is hereby, amended to read as follows:

"SECTION 1. Upon the conditions herein prescribed for the protection of the United States, the consent of the United States is given to be named a party in any suit which is now pending or which may hereafter be brought in any United States district court, including those for the districts of Alaska, Hawaii, and Puerto Rico, and the District Court of the United States for the District of Columbia, and in any State court having jurisdiction of the subject matter, to quiet title to or for the foreclosure of a mortgage or other lien upon real estate or personal property, and in all cases where the partition and sale of real estate is sought by any of the owners thereof, and also in all cases wherein an executor or administrator seeks to sell the real estate and/or personal property of any decedent to pay debts, for the purpose of securing an adjudication of any mortgage, claim, lien, or right the United States may have or claim to have on or against the real estate or personal property involved."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEVING FORMER POSTAL EMPLOYEES WHO PERFORMED POSTAL DUTIES AFTER INDUCTION INTO THE MILITARY SERVICE

The Clerk called the next bill, H. R. 3763, to relieve former postal employees who performed postal duties after induction into the military service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of law relating to dual compensation, the Comptroller General of the United States is hereby authorized and directed to allow credit in the settlement of disbursing officers' accounts, and relieve certifying officers of liability, for payments made to postal employees who, after induction into the armed forces of the United States, performed postal duties while on furlough or otherwise relieved of active military duties, of the amounts to which such employees would have been legally entitled had they not been in the armed forces.

SEC. 2. If credit is allowed in disbursing officers' accounts, in accordance with section 1 of this act, the employee receiving the payment shall not be required to refund the amount thereof; and any such amount which has been collected from such employee because improper under dual compensation laws shall be refunded to him, or if deceased, to his legal representative.

SEC. 3. This act shall be applicable only to services rendered prior to January 1, 1943.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. PRIEST. Mr. Speaker, that concludes the call of the bills on the calendar for today.

COOPERATIVE SUSTAINED-YIELD UNIT AGREEMENTS WITH FOREST OWNERS AND OPERATORS

Mr. COLE of New York. Mr. Speaker, when the bill S. 250, Calendar 211, was called, I raised a question for which there was no ready answer by any Member on the floor. Since that time the gentleman from Oregon [Mr. ELLSWORTH] has appeared and is prepared to answer the question. I ask unanimous consent to return to Calendar 211 and that the bill S. 250 may be called up at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. COLE]?

There was no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, this bill authorizes the Secretary of Agriculture and the Secretary of the Interior to enter into agreements with private landowners of timber tracts, looking toward a sustained-yield unit operation. The bill provides that the sale of the timber from these tracts shall not be under open and competitive bids, which would permit the Government to sell timber to any person of their own choosing. The question I have to ask is, Why competitive bids are not required for the sale of this timber?

Mr. ELLSWORTH. Mr. Speaker, answering the question of the gentleman from New York, as the gentleman states, the bill would permit the Departments to enter into agreements with private owners of timber for the purpose of establishing what are known as sustained-yield units in the timbered area. These units lie along water courses and in geographical units rather than in any legal units, and in order to promote a sustained-yield policy it is often necessary to include in such units timber privately owned. In order to make a deal for the operation of the unit on a sustained-yield basis, the Government has to enter into contracts with private owners of the timber and in making these agreements agree to sell Government timber.

It is not deemed practical to entertain competitive bidding in such a situation, since the only person who could logically operate the Government-owned timber would be the person with whom the agreement is being negotiated. Therefore, the Departments, the forest industries, and the author of the bill all agree that since competitive bidding is not practical or possible, and since both the Department of the Interior and the Forest Service are well aware of the value of these properties, it is entirely proper to make such agreements on the basis of negotiation.

Mr. COLE of New York. If it is true that the landowner is the only logical person who might buy this timber after it has been cut, then where is any hazard encountered by permitting it to be sold under competitive bidding, if by reason of circumstances he will be the only person who will bid on it?

Mr. ELLSWORTH. I did not make it clear. The agreement is for the purchase

of the timber before it is cut. It is an operating agreement. It has nothing to do with the marketing of the product from the land.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Arizona.

Mr. MURDOCK. Is this bill confined to any one portion of the West or to any national forest area, or is it open to all parts of the country as general legislation?

Mr. ELLSWORTH. It is a bill that affects all of the country where national forests are located. I believe some 36 States have forest areas. The Forest Service may embark upon a sustained-yield plan wherever it deems such a plan advisable.

Mr. MURDOCK. I feel that the measure has great merit.

Mr. CRAVENS. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Arkansas.

Mr. CRAVENS. Is there anything in this bill that compels the owner of private timber land to enter into any arrangement with the Government?

Mr. ELLSWORTH. No; there is no compulsion whatever. It is purely a voluntary agreement.

Mr. COLE of New York. Mr. Speaker, I withdraw my reservation of objection.

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMODITY CREDIT CORPORATION

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 448), which was referred to the House Calendar and ordered printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the House joint resolution (H. J. Res. 239) continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDMENT OF BANKRUPTCY ACT

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 449), which was referred to the House Calendar and ordered printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 25, 1944, for actions of Thursday, February 24, 1944)

(For staff of the Department only)

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HOUSE

1. COMMODITY CREDIT. Passed without amendment S.J.Res. 116, to continue CCC as a U.S. agency until June 30, 1945, provide for fulfillment of commitments to producers, and require audits of CCC's financial transactions by GAO (pp. 2042-4, 2048-58). Rejected amendments by Rep. Kean, N.J., to prohibit any new consumer subsidy programs (p. 2057), and Rep. Johnson, Ill. to provide that no new foreign purchase agreement entered into by CCC shall become effective until 30 days after its context has been made known to Congress (pp. 2057-8). This measure will now be sent to the President.
2. TAXATION. Voted, 299-95, to override the President's veto of H.R. 3687, the tax bill (pp. 2033-41, 2046-8). Several members spoke on this subject. Rep. Allen, Ill., stated, "Two billion dollars is more money than all the farmers in Illinois received for their farm products in 1943" (p. 2037).
3. FARM BANKRUPTCY. Rep. Ramey, Ohio, urged that H.R. 4166, to continue the Farm Bankruptcy Act, etc., be amended to require that conciliation commissioners have the qualifications of a lawyer (pp. 2045-6).
Majority Leader McCormack, Mass., announced that H.R. 4166 will be in order on Tues., Feb. 29, and that "I have no other program to announce at this time" (pp. 2058-9).
4. IRRIGATION AND RECLAMATION Committee reported with amendment H.R. 3570, to provide for the partial construction of the Hungry Horse Dam, Mont. (H.Rept. 1193) (p. 2065).
Received from Interior a report on finances and operations under the Boulder Canyon Project Act. To Irrigation and Reclamation Committee. (p. 2065)
5. BANKING AND CURRENCY. Rules Committee reported a resolution for consideration of H.R. 3956, to provide that the absorption of collection and exchange fees shall not be deemed the payment of interest on deposits (pp. 2042, 2065).

SENATE

6. FEDERAL TRADE COMMISSION Chairman submitted a report on Distribution Methods and Costs, Pt. III---Building Materials---Lumber, Paints, and Varnishes. To Interstate Commerce Committee. (p. 2031.)

ITEMS IN APPENDIX

7. MOLASSES; IMPORTS. Extension of remarks of Rep. Rabaut, Mich., including a Washington Post editorial, commending FEA's activities in securing molasses for industrial uses from Cuba (p. A999).
8. FOOD FOR EUROPE. Extension of remarks of Rep. Philbin, Mass., favoring Congressional action to feed the starving children of occupied Europe (p. A1004).
9. NARCOTICS. Rep. Judd, Minn., inserted a Washington Daily News article favoring his opium control bill, H.J.Res. 241 (pp. A1004-5).
10. ECONOMY. Rep. Engel, Mich., inserted his address on the cost of the war which included comments on "waste and Government extravagance" (pp. A1005-8).
11. TAXATION. Reps. Disney, Okla., and Johnson, Calif., inserted Washington newspaper editorials criticizing the President's veto of the tax bill (pp. A997-8, A1000-1).
Extension of remarks of Rep. Granger, Utah, favoring the President's veto of the tax bill (pp. A998-9).
Rep. Knutson, Minn., inserted his radio address favoring his H.J.Res. 233, to create a tax advisory council (pp. A1002-3).
Extension of remarks of Reps. Carlson, Kans., and Vorys, Ohio, criticizing the President's veto of the tax bill (p. A1003, A1018).
Reps. Thomas, N.J., and Kilburn, N.Y., inserted N.Y. newspaper editorials criticizing the President's veto (pp. A1003-4, A1020-1).
Rep. Auchincloss, N.J., inserted a constituent's letter criticizing the President's veto of the tax bill (p. A1018).
Rep. Myers, Pa., inserted W. Green's (AFof L) letter favoring the President's veto of the tax bill (p. A1021).
Extension of remarks of Rep. Mills, Ark., criticizing the President's veto of the tax bill including his stand on the timber provision contained in the bill (pp. A1021-2).
12. FOOD ADMINISTRATION. Rep. Kleberg, Tex., inserted T.C. Richardson's address which states that "agriculture...can never be centralized. It mests the hampering regulations of bureaucracy and the shortages of manpower and machinery by resourceful management and working longer hours" (pp. A1008-10).
13. FEDERAL AUTHORITY. Rep. Disney, Okla., inserted his address criticizing "the orgy of spending of public moneys" in the U.S. claiming that it curtails States' powers (pp. A1010-13).

BILLS INTRODUCED

14. PERSONNEL. By Rep. Klein, N.Y., H.R. 4272, to provide additional compensation for certain U.S. and D.C. civilian employees. To Civil Service Committee. (p. 2065.)
15. TAXATION. By Rep. Knutson, Minn., H.R. 4273, providing for the collection of internal revenue taxes and the administration of the internal-revenue laws by an agency independent of the Treasury Department. To Ways and Means Committee. (p. 2065.)

address the House for 15 minutes and to revise and extend those remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. RAMEY]?

There was no objection.

EXTENSION OF REMARKS

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record and to include a newspaper clipping.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. JUDD]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein copy of an address by former Gov. Alfred M. Landon, and also to extend my remarks and to include a brief editorial relative to the gentleman from Michigan [Mr. ENGEL].

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. REECE]?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. KENNEDY. Mr. Speaker, I ask unanimous consent that at the conclusion of any special orders heretofore entered for today I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. KENNEDY]?

There was no objection.

EXTENSION OF REMARKS

Mr. MYERS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein a column which appeared in the January 28, 1944, issue of Stars and Stripes, which was forwarded to me by a young man now serving in England; also to extend my own remarks in the Record and to include a telegram, and, finally, I ask unanimous consent to extend my own remarks at this point in the Record on the President's veto message.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. MYERS]?

There was no objection.

[The matter first referred to appears in the Appendix.]

[Mr. MYERS addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. VOORHIS]?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I voted against the conference report on this tax bill. I also voted

against the bill when it first passed the House. I had three reasons for my action. First was that I believed certain of the renegotiation provisions were too liberal and might unnecessarily open the way to war profiteering—notably the provision that renegotiation be discontinued after the first of next year. I did not and do not object to the provision for review in the tax court of future renegotiation decisions.

My second reason was that I believe the bill so inadequate from a revenue standpoint as to be of little consequence. I think this most serious at a time when we should be and could be coming much closer to paying for this war as we fight it—thus sparing future generations, including those actually fighting the war, a part of the future burden that otherwise they must carry.

And third, I opposed the bill because it froze social-security taxes at the very time of all times when they should have been increased as an anti-inflationary measure and as a means of building up for the future a reserve for the protection of millions of people.

These were my reasons for opposing this legislation. They are my reasons for voting to sustain the Presidential veto.

[Mr. VORYS of Ohio asked and was given permission to extend his own remarks in the Record.]

Mr. HOWELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein a short poem.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. HOWELL]?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. BATES]?

There was no objection.

REPRESENTATIVES HOLMES AND GIFFORD

Mr. BATES of Massachusetts. Mr. Speaker, may I say that the gentleman from Massachusetts [Mr. HOLMES] is detained from being present today on account of the death of his mother. The gentleman from Massachusetts [Mr. GIFFORD] is also unable to be present on account of injuries recently received, but I am happy to say he is recovering.

STATE OF OREGON, DEPARTMENT OF FORESTRY

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1047) for the relief of the State of Oregon, Department of Forestry of the State of Oregon, and certain organized protection agencies in the State of Oregon for protection of unappropriated public-forest land intermingled with Oregon and California lands from July 1, 1938, to June 30, 1939, with Senate amendment thereto, and concur in the Senate amendment. The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

On page 2, line 9, after the word "Association", insert "Northwest Oregon Fire Association."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. McGEHEE]?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PETER A. GAWALIS

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1594) for the relief of Peter A. Gawalis, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

On page 1, line 9, after the word "injuries", insert "and property damage."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. McGEHEE]?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

FRED HUNTER

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1637) for the relief of Fred Hunter, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

On page 1, line 6, strike out "\$4,000" and insert in lieu thereof "\$3,000."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. McGEHEE]?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

FREDERICK LEE LITTLEFIELD

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1835) for the relief of Frederick Lee Littlefield, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

On page 1, line 5, after the word "to", insert "the estate of."

On page 1, line 6, strike out "of Hyannis, Mass."

On page 1, line 9, strike out "him" and insert "Frederick Lee Littlefield, of Hyannis, Mass."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. McGEHEE]?

There was no objection.

The Senate amendments were concurred in.

The title was amended so as to read: "An act for the relief of the estate of Frederick Lee Littlefield."

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. GRANGER asked and was given permission to extend his own remarks in the RECORD.

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from a soldier which recently appeared in the Boston Post.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. WRIGHT]?

There was no objection.

[The matter referred to appears in the Appendix.]

AMENDMENT TO JUDICIAL CODE

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 451, Rept. No. 1190), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3592) to amend the Judicial Code in respect to the original jurisdiction of the district courts of the United States in certain cases, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto for final passage without intervening motion except one motion to recommit.

AMENDMENT TO FEDERAL RESERVE ACT

Mr. CLARK, from the Committee on Rules, submitted the following privileged resolution (H. Res. 452, Rept. No. 1191), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3956) to amend the Federal Reserve Act, as amended, to provide that the absorption of exchange and collection charges shall not be deemed the payment of interests on deposits. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto for final passage without intervening motion except one motion to recommit.

CONTINUATION OF COMMODITY CREDIT CORPORATION

Mr. SABATH. Mr. Speaker, I call up House Resolution 448, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the joint resolution (H. J. Res. 239) continuing the Commodity Credit Corporation as an agency of the United States until July 1, 1945. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 2 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment, the Committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the joint resolution and amendments thereto for final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, later, I shall as usual yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. Speaker, this resolution makes in order the consideration of the bill extending the Commodity Credit Corporation to July 1, 1945. I have been informed that there is no opposition; that, in fact, nearly all the members of the great Committee on Banking and Currency are in favor of the bill. I, myself, believe the life of that Corporation should be extended. I feel that there is no opposition to the rule, therefore I shall not take the time of the House further in discussing it. However, Mr. Speaker, I ask unanimous consent that I may proceed for 3 minutes out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I voted to sustain the veto of the President because I believe he is right, and has the duty and the privilege under the Constitution to veto any bill he feels is not in the right direction. He recognizes the need for raising the sum of money he advocated, namely, \$10,500,000,000, so that we can prosecute the war and bring about early victory.

You Republicans who have voted practically as one under the pressure of the Republican machine, had you listened to his urgent pleas and recommendations in 1937, 1938, and 1939 to appropriate a few million dollars for the fortification of Guam and other bases and for defense purposes, not only millions, but billions of dollars would have been saved. If that action had been taken, the tax which the President has asked for would not have been necessary.

Mr. Speaker, yesterday and today, I have received many telegrams urging that I vote to override his veto. Every one of these messages have come from

corporations. Corporations as you know have no souls and, unfortunately, have only their own interests at heart, and they seem to fail to recognize their responsibility to their country. The war profiteers are espousing this bill because of the provisions contained therein which will weaken the Renegotiation Act and enable them to retain in their jeans hundreds of millions of dollars. Yes, twice as much as the bill provides for the collection of taxes. In brief, it tends to relieve the war profiteers and imposes additional taxes on the small taxpayer. As I said a few days ago, this is a Republican political bill, but I am satisfied that when the people back home are informed as to the manner in which it was originally forced through in the committee and in the House and the advantage which the Republicans are seeking, it will be bound to react to their disadvantage.

I feel that those men who are fighting for democracy and for the preservation of our institutions and freedom and liberty will look with disfavor upon the action of the Congress today in overriding the veto. I voted to sustain the President, because I know he is honest, sincere, and courageous. He might have used a little stronger language in his veto message than some gentlemen feel he should have, and I am not going to maintain that the President is infallible and has not made some mistakes, but people who are passive and do nothing are incapable of making mistakes. When the President realizes he has made a mistake he, as any great man would do, promptly seeks to rectify it. Is it not to be wondered that in the multiplicity of matters of tremendous importance pertaining to the war and domestic fronts he has been obliged to shoulder that he has made so few mistakes?

Mr. Speaker, in conclusion let me state that I feel we should raise as much money as possible at this time to carry on this war, because there is more money in the country today than ever before and industry has amassed the greatest profits in the history of our Nation. Therefore, it should be much easier to raise the money now than to wait until the boys return and then seek to impose these taxes upon them. This bill tends to legislate in the interest of war profiteers. I say there should be no profiteering to the extent of millions of dollars when our boys are suffering and going through the tortures of hell fighting for humanity and democracy.

The fact is that the taxation the President asked for would not be collected out of capital or out of the billions deposited in the banks throughout the Nation, but would be derived only from the excessive profits and incomes accumulated by the big corporations and those persons who have engaged in war contracts and in furnishing supplies and services to our armed forces.

Mr. Speaker, I now yield 30 minutes to my beloved friend, the gentleman from New York [Mr. FISH].

(Mr. SABATH asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. FISH. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the House in its wisdom has spoken by a majority of 3 to 1 and I do not see that it serves any great public service to have individuals who supported the President's veto get up here and explain their reasons why. The matter has been settled by the House itself by a vote of 3 to 1. That speaks for itself, and I do not propose to take the time of the House to answer the gentleman from Illinois.

Mr. Speaker, there is no opposition to the pending rule. It is a wide open rule, providing for 2 hours of general debate, on the bill extending the life of the Commodity Credit Corporation. It is a simple, practical question. No one has sought to do away with the Commodity Credit Corporation. Even those who were fighting subsidies made no effort whatever to eliminate the Commodity Credit Corporation. This bill provides for its extension for 1 year, or at least to June 30, 1945.

The farmers of America are generally in favor of this extension. They want to know so that they can plan their crops in an orderly way. Therefore, I hope that the Commodity Credit Corporation bill will pass.

I understand, however, that certain amendments will be offered to the bill by members of the committee. This, of course, raises a question whether the House wants to go along and modify the powers of the Commodity Credit Corporation. It is not my purpose to discuss that, but merely to say that the bill comes up under a rule unanimously adopted, and that it is a practical question and should be passed upon today.

Mr. Speaker, I yield 10 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota.

There was no objection.

THE VETO AND RENEGOTIATION

Mr. CASE. Mr. Speaker, the vote today did not turn upon the details of the tax bill. The RECORD should show, however, the inadequacy and the inaccuracy of the excuses given for the veto.

It has been suggested by the distinguished Member from Minnesota, the Honorable HAROLD KNUTSON, that I speak of the paragraph on renegotiation of war contracts.

The President complained, Mr. Speaker, that a clause in the tax bill terminates the present renegotiation authority on December 31 of this year. That is misleading and is only part of the story.

Waiving the reasons which produced December 31 as a legislative compromise, that date is 10 months away, and the President made no mention of the specific provision in the bill that gives him the right to extend the act 6 months and put the expiration 16 months away.

Congress has changed many expiration dates with less notice than that.

Moreover, the President ignores and overlooks the new title in the bill on the repricing of war contracts, which establishes by statute the renegotiation principle of price adjustment for all new war contracts. Read title VIII, section 801, of the bill:

When the Secretary—

Meaning the head of the specified war procurement agencies covered in the statute—

deems that the price of any article or service of any kind . . . is unreasonable or unfair, the Secretary may require the person furnishing such article or service to negotiate to fix a fair and reasonable price therefor.

The bill, by this section makes repricing a part of every war contract by statute; every contract entered into 30 days after its enactment. Thus, price adjustment continues. It does not stop. Thus, the termination date on the old statute in effect requires only that renegotiations on old or current contracts shall be completed within 15 or 16 months. It does not terminate price adjustment. The new title establishes authority for repricing by all agencies that are under the present law; there are no exceptions. Whenever the Secretary deems a price unfair, he can act, and "any person aggrieved by an order fixing a price under this section may sue the United States in any appropriate court."

Which brings me to the President's other objection to the revisions in the present renegotiation statute. He says:

The formal right of appeal to the Tax Court is an inept provision. . . . The present Tax Court . . . does not have the personnel or the time to assume this heavy load.

It is true that the provision does not follow the usual Roosevelt formula of creating a new court or a new bureau to handle the job. It follows, instead, the old-fashioned idea of placing a job in the hands of an agency of proved competence and dispatch. It places the job in the hands of a court which has experts in the field of costs and profits and experts in the field of corporate structure and finance. What court would the President suggest for the court of final review?

As to the load—nobody knows whether that will be heavy or not. Appeals go to The Tax Court only if a contractor files a petition against a unilateral order of the Price Adjustment Board. Where the contractor and the Government reach an agreement in renegotiation, there is no review by the Board. And where the contractor accepts the order of the Board, The Tax Court will never hear of the case.

Now, the truth is, that placing this explicit provision for appeal in the renegotiation statute provides a safeguard for recoveries that have been made. All attacks upon the constitutionality of the present statute have been based on the fact that the right of appeal has not been certain. So far from opening the door to recoveries, then, this right of appeal puts a padlock upon the renegotiations that have been completed and accepted. The Chairman of the Finance Committee in the Senate, an eminent jurist, esti-

mates that this protects \$2,000,000,000 in recoveries heretofore made.

The section of the President's message, Mr. Speaker, dealing with renegotiation reveals no appreciation or understanding of the legislative process whatsoever.

No bill before the Congress, no statute on the books, in an equal space of time, can show an amount of legislative deliberation equal to the amendments on renegotiation embodied in the tax bill. This is a young statute.

The word "renegotiation" as applied to war contracts was first written into legislation by an amendment adopted on this floor, in the House of Representatives, on the 28th of March 1942 during consideration of the sixth supplemental defense appropriation bill. It had been proposed in the hearings of the Appropriations Subcommittee for the War Department on that bill. A tentative text of the amendment was submitted to the Ordnance Branch and the Chief of Engineers and discussed, as the hearings printed at that time show.

I explained that the purpose was to give statutory support to a practice that was then being developed voluntarily where contractors were agreeable. Experience had shown that legislation was necessary to bring in contractors who did not adjust prices voluntarily.

When the bill went to the floor, time was fixed and debate was limited but the amendment was explained and notice given that it would be offered. The customary point of order was raised that in the form offered, it "required executive action," thus placing additional duties on administrative officers of the Government. That point of order was immediately conceded and the amendment was reoffered in a way to avoid the point of order.

A brief excerpt from the CONGRESSIONAL RECORD of that day tells the story:

[From the CONGRESSIONAL RECORD of March 28, 1942; pp. 3230-3231]

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment, which is at the Clerk's desk, and which I have previously explained. The Clerk read as follows:

"Amendment offered by Mr. CASE of South Dakota: Page 36, after line 11, insert a new section as follows:

"Sec. 402-A. No part of any appropriation contained in this act shall be available to pay that portion of a contract for construction of any character and/or procurement of material and supplies for either the Military or Naval Establishments, designated as "final payment" until the contractor shall have filed with the procuring agency a certificate of costs and an agreement for renegotiation and reimbursement satisfactory to the Secretary of War or the Secretary of the Navy as the case may be."

Mr. CANNON of Missouri. Mr. Chairman, I make the point of order against the amendment that under the guise of a limitation the amendment would require Executive action.

Mr. CASE of South Dakota. Mr. Chairman, I concede the point of order and offer another amendment.

The CHAIRMAN. The point of order is sustained.

The Clerk will report the amendment offered by the gentleman from South Dakota.

The Clerk read as follows:

"Amendment offered by Mr. CASE of South Dakota: On page 36, after line 11, insert a new section as follows:

"Sec. 402-A. No part of any appropriation contained in this act shall be available to pay that portion of a contract for construction of any character and/or procurement of material and supplies for either the Military or Naval Establishments designated as 'final payment' to any contractor who fails to file with the procuring agency a certificate of cost and an agreement for renegotiation of contract and reimbursement of profits in excess of 6 percent."

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota.

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 70, noes 8.

So the amendment was agreed to.

The amendment went to the Senate. There the parliamentary situation in the House was explained to Senator McKELLAR, chairman of the Appropriations Committee in charge of the bill, who proceeded to work out details for an expansion of the amendment into the full statute that has been on the books since April 28, 1942. As I recall, the committee in the other body devoted the entire week of their Easter recess to working out the details of a workable statute, aided by staff members of the War Department.

It was a new thing in profit control. It had its imperfections. When the conference report was before the House, I recall saying that we should not go home and tell our people that we had solved the problem of controlling excessive war profits. I recall urging that committees continue to work on the problem.

And committees did. They watched the operation of the new law.

In the fall of 1942, certain amendments were worked out and made a part of the revenue bill at that time.

In the spring of 1943, Chairman SNYDER of the subcommittee for the War Department of the House Appropriations Committee, devoted a long hearing to the subject and, out of that, amendments were adopted which added the R. F. C. defense agencies to the War and Navy Departments and Maritime Commission, originally covered.

In January 1943, the Truman committee, through a subcommittee headed by Senator HATCH, undertook a study of the law's operation and issued a report 3 months later.

In June 1943 the House Committee on Naval Affairs held public hearings for 3 weeks. Testimony and exhibits were published in a report of 1,300 pages last October. Recommendations were embodied in a bill that was introduced by the chairman, the Honorable CARL VINSON of Georgia, and referred to the Committee on Ways and Means.

In September, members of the House Ways and Means Committee cut short their vacation to open hearings that ran for weeks. The chairman, the Honorable R. L. DOUGHTON, of North Carolina, and the other members were considerate of every witness. The printed portion of their proceedings packed 1,100 pages, while the full committee and subcommit-

tee, headed by the Honorable WESLEY DISNEY, of Oklahoma, spent many days in unrecorded deliberations.

Many Members of Congress appeared before the Ways and Means Committee. In my appearance I urged four major amendments, all of which, I am glad to say, are in the bill today. At the same time, I warned against repeal and against many of the amendments that had been discussed. The committee was most considerate and I feel that the refinements in the renegotiation statute are mainly due to the faithful and intelligent work done by the members on Ways and Means. It is a great committee of outstanding men, every one of whom serves his country well.

In December the Senate Finance Committee threshed the whole ground again. I joined others in pointing out on this

floor that some of the amendments proposed at that time would have been emasculating. As that committee worked, it gained a better understanding of the statute and its effectiveness and brought out a constructive revision based upon the year and a half of operation.

Those revisions were again reviewed and revised in conference with members of the House Committee on Ways and Means.

And the result, Mr. Speaker, is, as the Washington Post said editorially a few days ago, "a testimonial to the legislative process."

Fortune magazine, in its number for February 1944, gives this recent dollar break-down of the accomplishments under the renegotiation statute:

The record of renegotiation

	Recoveries	Pricereductions	Total	Recoveries	Cases cleared	Cases in progress	Total
Army.....	\$1,805,008,000	\$2,048,067,000	\$3,853,075,000	6,226	7,920	3,690	17,836
Navy.....	816,076,000	890,501,000	1,706,577,000	722	2,432	1,161	4,315
Maritime Commission.....	80,955,000	58,730,000	139,685,000	141	384	452	977
War Shipping.....	2,338,000	1,450,000	2,738,000	23	62	204	289
Treasury.....	4,730,000	1,430,000	6,160,000	14	72	95	181
Total.....	2,709,157,000	2,996,098,000	5,705,255,000	7,126	10,870	5,602	23,598

¹ Not included under renegotiation law until April 1943.

An additional 26,000 war contractors have been screened out by the joint assignment board as not subject to renegotiation and another 2,000 are now being renegotiated by the Reconstruction Finance Corporation, which was just included in the renegotiation law in July 1943. These figures were the latest available at the end of 1943.

What the eventual results will be no one can say. Under Secretary of War Patterson has repeatedly said that the greatest advantages of the statute will prove to be the benefits in forward pricing. And obviously, the size of recoveries will grow smaller as new contracts are let on the basis of better cost data obtained in the renegotiation of earlier contracts.

Of the \$13,000,000,000 of Army funds placed in reserve last fall, \$1,500,000,000 was credited to price reduction. Of the additional fourteen billion placed in reserve in January, \$10,916,000,000 was credited to "price reductions" from estimates that were necessarily made in the infancy of the war effort.

It will be understood, of course, that many factors entered into these price reductions and that renegotiation and the cost data developed thereby are only parts of the picture.

Enough has been said, however, to show the value of the renegotiation statute, Mr. Speaker, and to show that statutory renegotiation was a product of the legislative processes and a product of the legislative branch of the Government. I have dwelt upon renegotiation because securing and making fast its recoveries makes the provision for appeal to The Tax Court one of the virtues of the tax bill. And the overlooked title on repricing gives to the Government for the duration of the war the gains of the price adjustment procedure developed in renegotiation.

All bills have virtues; all have weaknesses. Did the values of the tax bill escape the President's attention?

Did the writer or writers of the message seriously mean that the veto was inspired

by the excuses given? Was it terrible to extend to half a dozen marginal cost minerals—little lithium—spodumene—little mica, feldspar, talc, and so forth—in wartime only, the depletion allowances that have been given for years to big coal, big iron, and big oil?

Do the critics of freezing the social-security tax rate, when reserves are 18 times annual demand, really mean that that trust fund should be regarded as a part of the general revenues of the Treasury?

I refrain from saying anything about a self-proclaimed "grower and seller of timber" seeing no depletion difference between a 4- or 5-year crop of Christmas trees and a forest that yields once in a lifetime. A distinguished Member of another body has said enough.

Mr. Speaker, all men here know the protests that we have had on the tax bill. All men here know where the pressure on the President came from. We had it during our consideration of the bill.

Mr. Speaker, when the history of today's vote is written it will not deal with the details of the tax bill. It will tell, instead, the story of how once again the people's representatives stood up to be counted in the age-old struggle to keep for the people the control over the purse which was won at Runnymede when Magna Carta said that henceforth taxes should not be imposed without the consent of the common council, a struggle that had another round when this country was born. "Taxation without representation is tyranny," our fathers said, and today we have said, "Taxation by command is tyranny, too."

review, freezing the social-security tax at its present figure, because the reserve is already far above that intended in the law, requiring financial reports by tax-exempt organizations, simplification of the tax laws and tax forms, et cetera.

So my original vote against the bill was made in the hope the Committee on Ways and Means would be able to improve it by retaining the good features and strengthening what I regarded as its weak points which, I may say, are not the same as those which the President in his message gives as his reasons for vetoing the bill. However, the members of the Committee on Ways and Means, including its distinguished chairman the gentleman from North Carolina [Mr. Doughton], who certainly cannot be called partisan or antiadministration, stated that if this bill fails, they will not write another revenue bill this year. Therefore one's choice now is not between the present bill and a better one but between the present bill and none at all; or, rather, between the bill under consideration and the existing tax laws. Certainly, the bill is far better in almost every respect than existing law, and, therefore, I voted today to override the veto. It seems to me that is the only sound position one can take under the circumstances.

Mr. FISH. Mr. Speaker, I yield to the gentleman from Illinois [Mr. Bishop] such time as he may desire.

Mr. BISHOP. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include a newspaper article.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BISHOP. Mr. Speaker, I am supporting the State ballot, because I know the officers of the State and counties with the assistance of the Army and Navy will get a ballot to each and every person in the service.

My contention is that those in the service certainly do not wish to be disfranchised for voting for the State, district, county, and local officers. If there ever was a time when the voters should have the opportunity of selecting the people who represent them, it is now.

I ask unanimous consent that the following editorial from the Marion Daily Republican of Marion, Ill., dated February 15, be inserted in the RECORD:

GIVE THE SOLDIERS A FULL BALLOT

The efforts of the Federal administration to put over a limited ballot for the soldiers next November have been in the interests of the head of ticket, to the exclusion of other candidates, and from the start have been such as to bring out a question as to their sincerity. Not only is this position questioned in Illinois, where the State has adopted legislation to get ballots into the hands of her soldiers, but it is also questioned in the solid South.

Expressing its sentiments regarding soldier votes, the Mobile (Ala.) Press says:

"There can be no mistaking the fact that the President's message demanding that Congress enact the Green-Lucas bill to enable members of the armed forces to vote for Federal officials was politically inspired and designed to influence the outcome of the 1944 Presidential and congressional elections.

"Mr. Roosevelt took Congress to task for leaving the soldier-vote question up to the States. It has already been demonstrated that the States can revamp their laws to give absentee servicemen an opportunity to vote by mail. Georgia has already taken the lead and a dozen other States are planning similar action in the matter. If any censure was due from President Roosevelt it was for the States which have held back and refused to enact soldier-voting legislation, including our own Alabama. Mr. Roosevelt might have made a judicious statement along those lines without criticism, but ranting at Congress in an obvious effort to influence the service vote in his favor puts the President in a very poor light.

"It is most revealing that Mr. Roosevelt places no importance at all on the soldiers voting for candidates for State offices, but only for Federal officials. The President said as much when he told Congress that it would be impractical to distribute bulky and varied State ballots among the armed forces. In other words, Mr. Roosevelt champions only limited franchise for members of the armed forces. If they can vote for reelection of their Commander in Chief and for Senators and Representatives, that will be enough for President Roosevelt."

Mr. FISH. Mr. Speaker, I yield myself the remainder of the time.

Mr. Speaker, we have been hearing from many of those who voted to sustain the veto, explaining their reasons. I would merely like to make this observation and comment that this vote of 3 to 1 in the House of Representatives was a new declaration of independence. It served notice upon the American people and upon the Executive that the Congress had and would continue to have control of the purse. The power to initiate revenue legislation was placed by the founding fathers in the Constitution, and it said that that power should rest with the House of Representatives, and we reaffirmed it today by a new declaration of independence.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. SABATH. Mr. Speaker, of course, I disagree with the gentleman from New York [Mr. Fish]. I think his vote and those who voted as he did was a vote, as properly stated by the President, for a tax relief bill providing relief not for the needy but for the greedy.

Personally, I think the President was right. He had a duty to perform to the country. He performed it courageously and honestly. I know that the Nation will recognize and appreciate his fearlessness and his desire to protect those that need protection. Those who will be benefited by the amendment to the renegotiation law naturally have been for the passage of the bill and the overriding of the veto, but the Government is likely to lose hundreds of millions of dollars because of that change. I shall not dwell further upon the subject of this tax legislation, but take leave to insert at this point the President's veto message which outlines more clearly and forcibly why his veto should be sustained. The message is as follows:

To the House of Representatives:

I return herewith, without my approval, H. R. 3687, entitled "An act to provide revenue, and for other purposes."

I regret that I find it necessary in the midst of this great war to be compelled to do this in what I regard as the public interest.

Many months ago, after careful examination of the finances of the Nation, I asked the Congress for legislation to raise \$10,500,000,000 over and above the existing revenue system. Since then persons prominent in our national life have stated in no uncertain terms that my figure was too low.

The measure before me purports to increase the national revenue by a little over \$2,000,000,000. Actually, however, the bill in its net results will enrich the Treasury by less than \$1,000,000,000.

As a tax bill, therefore, I am compelled to decide that it is wholly ineffective toward that end.

More specifically the bill purports to provide \$2,100,000,000 in new revenues. At the same time it cancels out automatic increases in the social-security tax which would yield \$1,100,000,000. In addition it grants relief from existing taxes which would cost the Treasury at least \$150,000,000 and possibly much more.

In this respect it is not a tax bill but a tax relief bill providing relief not for the needy but for the greedy.

The elimination of automatic increases provided in the social-security law comes at a time when industry and labor are best able to adjust themselves to such increases. These automatic increases are required to meet the claims that are being built up against the social-security fund. Such a postponement does not seem wise.

The clause relating to renegotiating of war contracts terminates the present renegotiation authority on December 31 of this year. This seems unwise at this time because no person can at present determine what a renegotiation time limit should be. More experience is needed. The formal right of appeal to the Tax Court that is granted by this bill is an inept provision. The present Tax Court exists for a wholly different purpose and does not have the personnel or the time to assume this heavy load.

The bill is replete with provisions which not only afford indefensible special privileges to favored groups but sets dangerous precedents for the future. This tendency toward the embodiment of special privileges in our legislation is in itself sufficiently dangerous to counterbalance the loss of a very inadequate sum in additional revenues.

Among these special privileges are:

(a) Permission for corporations reorganized in bankruptcy to retain the high excess-profits credit and depreciation basis attributable to the contributions of stockholders who are usually eliminated in the reorganization. This privilege inures to the benefit of bondholders who, in many cases, have purchased their bonds in the speculative market for far less than their face value. It may open the door to further windfall profits in this market because of the undeserved benefit received by reorganized corporations.

(b) Percentage depletion allowances, questionable in any case, are now extended to such minerals as vermiculite, potash, feldspar, mica, talc, lepidolite, barite, and spodumene. In the case of some of these minerals the War Production Board refused to certify that current output was inadequate for war needs.

(c) The lumber industry is permitted to treat income from the cutting of timber, including selective logging, as a capital gain rather than annual income. As a grower and seller of timber, I think that timber should be treated as a crop and therefore as income when it is sold. This would encourage reforestation.

(d) Natural-gas pipe lines are exempted from the excess-profits tax without justification and in a manner which might well

lead oil companies to request similar treatment for their pipe lines.

(e) Commercial air lines are granted an unjustifiable extension of the tax subsidy on their air-mail contracts.

It has been suggested by some that I should give my approval to this bill on the ground that having asked the Congress for a loaf of bread to take care of this war for the sake of this and succeeding generations, I should be content with a small piece of crust. I might have done so if I had not noted that the small piece of crust contained so many extraneous and inedible materials.

In regard to that part of the bill which relates to wholly unobjectionable tax increases, may I respectfully suggest to the Congress that the excise taxes can easily and quickly be levied. This can be accomplished by the passage of a simple joint resolution enacting those provisions of the bill which increase the excise taxes. I should be glad to approve such a measure. This would preserve the principal revenue provisions of the bill without the objectionable features I have criticized.

In another most important respect this bill would disappoint and fail the American taxpayers. Every one of them, including ourselves, is disappointed, confused, and bewildered over the practical results of last year's tax bill. The Ruml plan was not the product of this administration. It resulted from a widespread campaign based on the attractive slogan of "Pay-as-you-go." But, as was said many years ago in the State of New York in regard to that same slogan "You don't pay and you don't go."

The Nation will readily understand that it is not the fault of the Treasury Department that the income taxpayers are flooded with forms to fill out which are so complex that even certified public accountants cannot interpret them. No, it is squarely the fault of the Congress of the United States in using language in drafting the law which not even a dictionary or a thesaurus can make clear.

The American taxpayer has been promised of late that tax laws and returns will be drastically simplified. This bill does not make good that promise. It ignores the most obvious step toward simplifying taxes by failing to eliminate the clumsy Victory tax. For fear of dropping from the tax rolls those taxpayers who are at the bottom of the income scale, the bill retains the Victory tax—while at the same time it grants extensive concessions to many special-interest groups.

The suggestion of withholding at graduated rates, which would relieve millions of people of the task of filing declarations of estimated income, was not adopted.

I trust, therefore, that the Congress, after all these delays, will act as quickly as possible for simplification of the tax laws which will make possible the simplification of the forms and computations now demanded of the individual taxpayers. These taxpayers, now engaged in an effort to win the greatest war this Nation has ever faced, are not in a mood to study higher mathematics.

The responsibility of the Congress of the United States is to supply the Government of the United States as a whole with adequate revenue for wartime needs, to provide fiscal support for the stabilization program, to hold firm against the tide of special privileges, and to achieve real simplicity for millions of small-income taxpayers.

In the interest of strengthening the home front, in the interest of speeding the day of victory, I urge the earliest possible action.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 22, 1944.

Mr. Speaker, now as to the bill before us to extend the Commodity Credit Corporation, I am indeed pleased to notice that nearly every gentleman on the other side, as well as on our side, is in favor of this bill. It is a law that has been recom-

mended and advocated and urged by the President. It has done much for the farmers of the United States in general. In view of the benefits they have derived I wonder whether they appreciate all that has been done for them by this act and many other acts that the President has recommended and urged and fought for to aid the farmers and the masses in this country.

Mr. Speaker, when President Roosevelt took the oath of office on March 4, 1933, corn was selling at 19 cents a bushel, wheat at 29 cents, barley and rye at one-third of its selling price today, hogs and cattle at 3 cents per pound, and cotton today is bringing two and three times as much as in 1932 and 1933; and, in fact, all farm products have increased greatly. Despite these higher prices objection and resentment is voiced to the placing of ceiling prices on these products which emanate principally from the "gentleman farmers," the owners of farms ranging from 500 to 10,000 acres. The President has endeavored to protect them from their own greed in order to prevent inflation and is in the interest of the small farmers as well as the wage earner and "white collar" workers—ultimate consumers—who are obliged to live on their small fixed incomes and who are pressed to their last cent in buying food and necessities at present-day prices.

My colleague from Illinois [Mr. ALLEN] a little while ago made reference to the amount of taxes proposed in the pending tax bill, pointing out that it equaled the total yearly income of the State of Illinois. I would be thankful to the gentleman if he would include a statement as to the income the farmers of our State enjoyed during the Hoover administration and the succeeding years from the time of his election, and he might also list the laws that were enacted during the 12 years of Republican administration compared with the many beneficial farm measures passed under President Roosevelt's administration.

Mr. Speaker, reverting to the resolution under consideration, I ask unanimous consent to amend it by striking out "House Joint Resolution 239" and substituting, "Senate Joint Resolution 116."

I am doing so because the act has already expired and it is necessary to shorten the proceedings by adopting and accepting the Senate joint resolution, which will forego the necessity of sending it back to the Senate and to conference.

Mr. MICHENER. Mr. Speaker, reserving the right to object, of course, this was not before the Rules Committee. Does the Committee on Banking and Currency unanimously ask for that?

Mr. SABATH. That is what I understand.

Mr. SPENCE. There is no objection, as I understand it.

Mr. MICHENER. I have no objection, except that I do object to changing a rule by unanimous consent, without notice to the Rules Committee.

Mr. SABATH. I have been earnestly urged to make that unanimous-consent request for the purpose of saving time on this important legislation.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. FISH. May I suggest to the gentleman I have no objection to the change and evidently the gentleman from Michigan [Mr. MICHENER] has no objection, but I suggest that in the future when the gentleman wants to do that, he take it up with the minority members of the Rules Committee.

Mr. SABATH. I always do so, but, unfortunately, this matter came to me only a little while ago, and I really did not have time to consult with the gentleman from New York, and others, believing that they were in favor of this legislation and that they wanted to have it enacted as speedily as possible and to eliminate, as I have said, a conference with the Senate.

I thought therefore that would be satisfactory.

Mr. MICHENER. The only reason I reserved the right to object was that when a rule is reported out by the Committee on Rules and comes to the floor I hardly expect the chairman of the Committee on Rules to ask unanimous consent to change the rule without the other members of the committee having been advised.

Mr. SABATH. I am sorry, but the time is short and it merely makes the Senate bill in order instead of the House bill.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I think I will take some of this responsibility. I do not want any trouble about this. Probably I was remiss in my duty in not notifying the minority members of the Rules Committee that I had assured the Speaker and the gentleman from Kentucky, the chairman of the Committee on Banking and Currency, that the request would be perfectly satisfactory to me.

Under this reservation of objection I wish to make the statement that the difference between the House resolution and the Senate resolution is simply that the Senate has already adopted two amendments which we assume would have been adopted here today without controversy in order to expedite the consideration of the bill and to prevent its having to go back to the Senate or to conference. I said that so far as I was concerned there would be no objection. So I think it expedites matters and I hope the minority members of the Rules Committee will accept my apologies for not referring to them.

Mr. SABATH. I thank the gentleman for the explanation which places me in the position of not violating any of the ethics of the House or Committee on Rules.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The amendment was agreed to.

The resolution was agreed to.

(Mr. SABATH, Mr. RAMEY, and Mr. FISH asked and were given permission to revise and extend their own remarks.)

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of Senate Joint Resolution 116, continuing the Commodity Credit Corporation

as an agency of the United States until June 30, 1945.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of Senate Joint Resolution 116, continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945, with Mr. COURTNEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Kentucky is recognized for 5 minutes.

Mr. SPENCE. Mr. Chairman, it is a very refreshing thing when we can have legislation considered that I am confident meets with the approval of all my colleagues on both sides of the Chamber. Mr. Chairman, the House Committee on Banking and Currency reported without record vote House Joint Resolution 239 which provided for the continuation of the Commodity Credit Corporation as an agency of the United States from February 17, 1944, until June 30, 1945.

The Senate yesterday without roll call passed Senate Joint Resolution 116, that included the verbiage of the House resolution and also two amendments, one which mandated the Commodity Credit Corporation to carry out the commitments it had made and the other providing that the accounts of the Commodity Credit Corporation shall be audited by the General Accounting Office. These amendments I know are acceptable to all the Members of the Committee on Banking and Currency of the House, and I feel confident they are also acceptable to all the Members.

I do not know why 2 hours were granted for the consideration of this splendid resolution. I know every one of my colleagues wherever he comes from, from the Atlantic to the Pacific, from the Lakes to the Gulf, knows of the splendid accomplishments of the Commodity Credit Corporation and its constant assistance to our farmers and all producers of food. It needs no encomium from me. You are as familiar with the things it has done as I, and I hope this resolution will pass without a dissenting vote.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield for a question?

Mr. SPENCE. I yield.

Mr. AUGUST H. ANDRESEN. Has the committee accepted the Senate amendment requiring the Corporation's books to be audited by the General Accounting Office?

Mr. SPENCE. It has.

Mr. AUGUST H. ANDRESEN. As I understand, the Commodity Credit Corporation is organized under the laws of Delaware with very broad powers in the articles of incorporation. Is it the understanding that the General Accounting Office will examine into the authority and approve or disapprove the accounts under the commodity credit law or under the articles of incorporation?

Mr. SPENCE. I should think it would include all of the functions and activities of the Commodity Credit Corporation. The Commodity Credit Corporation, of course, still exists as a corporation. I do not know for what period it was created. It has ceased to exist only as an agency of the United States. The General Accounting Office certainly will go into all of the accounts with reference to its activities as an agency of the United States. The only thing in which we are interested is the exercise of its powers as an agency of the United States granted by the Congress of the United States. They certainly can go into all of those, not only their powers, but their expenditures and their authority to make them.

Mr. AUGUST H. ANDRESEN. Has the Committee on Banking and Currency ever investigated to see whether or not the Commodity Credit Corporation has exceeded its authority in its operations?

Mr. SPENCE. I do not know that we have. I understand that the Commodity Credit Corporation accounts have been audited by the accountants of the Reconstruction Finance Corporation which has reported to the Secretary of Agriculture who in turn makes his report to Congress.

Mr. AUGUST H. ANDRESEN. I was just interested enough to make the inquiry.

Mr. SPENCE. I believe it is a very good thing to have the Commodity Credit Corporation's accounts audited by an independent agency of the Government responsible to Congress.

Mr. AUGUST H. ANDRESEN. I agree with the gentleman.

Mr. SPENCE. And that will be done in the future. I may say also that the officers of the Commodity Credit Corporation are agreeable to both these amendments; in fact they want them. Representatives of the Commodity Credit Corporation appearing before our committee said they would be glad to have their accounts audited by the General Accounting Office.

The CHAIRMAN. The gentleman from Kentucky has consumed 5 minutes.

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, we have crystallized the issues in respect to the payment of consumers subsidies and we have announced to the administrators of all of the laws having to do with the production, processing and distribution of food that the Congress is overwhelmingly opposed to the payment of consumers subsidies. We have fought that fight as well as we knew how. We can take great satisfaction in the knowledge that we have at least partially won that fight.

The issue involved in the fight against the payment of consumers subsidies was fundamental. It was whether a republican democracy would be perpetuated as our form of government. We have prevented an expansion of the program which, if carried out according to the timetable announced by spokesmen for the administration, would have effectuated the socialization of agriculture. Insofar as we have prevented that being done, we have succeeded in this fight, but

the fight is not over by any means. By the adoption of this Senate joint resolution now under consideration we make no concessions whatsoever in respect to the consumers subsidy issue. We merely salvage what we can from the wreckage.

It was never our intention to interfere with what we consider to be the legal activities of the Commodity Credit Corporation. On two or three occasions we have had assurances that there would be no expansion of the consumer-subsidy program. We have a right, therefore, to expect that because a majority of the American people have spoken so overwhelmingly through a majority of their chosen Representatives there will be no material expansion of the consumer-subsidy program. The Commodity Credit Corporation was organized to do a definite job, to assure stability in agricultural prices and production, and it has functioned efficiently and effectively in those respects. It was only when they went out of the realm of their legal activities under directives over which they had no control and for which they were not responsible that we used the bill to extend the Commodity Credit Corporation as a vehicle to prevent the socialization of agriculture and the destruction of the American republican democracy.

We have made our fight, and we have partially won it. We have crystallized this issue to the extent now that we have a right to assume the law will be effectively and judiciously administered in the future. For this reason, we see no advantage in further attempts to interfere with the orderly and legal functioning of the Commodity Credit Corporation. It is for these reasons that we go along with the bill to extend the life of the Commodity Credit Corporation to June 30, 1945. We give the Corporation no new money. Their lending capacity is restricted to \$3,000,000,000.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, we provide that their accounts shall be audited by the General Accounting Office as a further assurance that this money will be expended in accordance with the law.

Mr. HOFFMAN. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I wonder if I understood the gentleman correctly. I thought I heard him say that he had some assurances that consumer subsidy programs would not be expanded.

Mr. WOLCOTT. I said on several occasions, on two anyway, we have been given assurances that there will be no expansion of the program.

Mr. HOFFMAN. Is the gentleman relying on those assurances?

Mr. WOLCOTT. Last June we were assured that there would be no expansion of the consumers subsidy program, and in December, when the resolution was passed extending the life of the Corporation to February 17, we were given like assurances. We have no definite assurance that they will not expand their program now, and that is why I

made the statement that because of the assurances which we had been given in the past and because of the overwhelming vote announcing the policy on the part of the Congress, representing such a large majority of the American people, in respect to consumers subsidies, we had a right to expect there would be no further expansion of the consumer subsidy program.

Mr. HOFFMAN. I appreciate that the gentleman must be a very trustful individual, in view of what has happened in the past. I hope he is right, but I am fearful it is going to be expanded. They have not paid any attention heretofore to action of the House or to any action of the people at election time.

We have gone along for 8 years with those fellows down there and you see what we got?

Mr. WOLCOTT. We still have as a partial check upon their zeal the deficiency appropriation bill which is now being considered in the Appropriations Committee, and we are given to understand that the Commodity Credit Corporation is now something like \$360,000,000 in the hole. Their capital is impaired and they have to come back to the Congress for appropriations to restore their capital. There is an opportunity which we have to prevent the use of any funds for the expansion of this program. I may say to the gentleman also it is hoped that very shortly we will take up a bill to extend the Price Control acts. Of course, we all recognize that the subsidies now being paid, the strictly consumers subsidies are now being paid out of money made available by the Reconstruction Finance Corporation under authority of the Price Control Act; so that this question of consumers subsidies is more closely allied with the Price Control Act than it is with the Commodity Credit Act anyway. I can assure the gentleman that the fight has just begun.

Mr. HOFFMAN. That is fine. If we are not going to pay consumers subsidies out of this, that will be all right.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. About 3 weeks ago Marvin Jones, the War Food Administrator, announced that the War Food Administration through the Commodity Credit Corporation would pay certain subsidies to farmers for increased production. In the case of sugar the subsidy would be \$3 this year instead of \$1.50 a ton that was paid last year. But this proviso was attached to the recommendation or offer made by Mr. Jones: These subsidies will be paid provided that the Congress appropriates the money. Now, does the gentleman figure that the extension of this act will be authority on the part of the Congress for the War Food Administration to go ahead and complete the production arrangements in order to get an abundance of those particular crops?

Mr. WOLCOTT. There never was anything in the bill which the President vetoed which would have prevented the payment of those producer subsidies. Of course, there is nothing in this resolution

that prevents the payment of those subsidies. There was nothing in the bill we passed to prevent the payment of subsidies to marginal high-cost producers to obtain the maximum amount of production of any commodity, including food, strategic and critical materials, and every other commodity of which we consume more than we produce.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 additional minutes.

Mr. AUGUST H. ANDRESEN. The gentleman knows there has been a great deal of delay in announcing the various production programs for this year, largely predicated upon Congress not having acted. Does the gentleman assume now that the passage of this joint resolution will give them authority to go ahead and let the farmers and other producers know what the program will be for 1944?

Mr. WOLCOTT. It removes all obstacles and alleged obstacles. There is no reason why all of the programs should not be immediately announced.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. Does the gentleman feel that the extension of this particular agency until June 30, 1945, is essential to the food production program for the current year, including support prices?

Mr. WOLCOTT. Yes, I would say it is essential that the Commodity Credit Corporation be extended in order that the support price programs may be announced and guaranties given to the producers of our food that they are going to be paid for what they raise in accordance with existing law relative to support prices. I would hesitate to assume responsibility for the condition in the food market if we did not continue the support program. The only way we can continue the support program is by continuing the Commodity Credit Corporation.

Mr. SPENCE. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. FAY].

Mr. FAY. Mr. Chairman, I regret that because of transportation difficulties I entered the House 5 minutes after the vote was taken on the President's veto message. I wish to state that had I been present on the floor I would have voted with the President, to sustain the veto.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, most of us are somewhat fed up with the question of consumers subsidies. We have been called upon to record our position on at least five roll calls in the past 7 months. Everyone knows where each one of us stands, but let us consider the position in which we find ourselves now.

Today the Commodity Credit Corporation is dead as an agency of the United States—killed last Friday by the President's veto of the bill for its renewal which had been supported by a large majority of Congress.

Most of us do not want this Corporation to die. We feel that it has rendered fine service to agriculture and that it must be brought to life again in order that farmers may with confidence embark on the program of production necessary to supply the food needed for ourselves and our allies.

Thus we have before us a resolution providing for extension of the Corporation until June 30, 1945, without restriction. Passage of this bill without amendment would represent a complete surrender by Congress of the wishes of its majority.

In a press release issued a short time ago the Commodity Credit Corporation announced that they had ample funds—a billion dollars in fact—which might be used for any purpose for which they saw fit.

Today the Corporation's consumer subsidy program amounts to approximately half a billion dollars. Thus under this bill they could easily double the program.

Fulton Lewis in his broadcast last night made an interesting observation. He called attention to the fact that the Constitution calls for legislation by Congress which may be vetoed by the President and repassed over his veto by a two-thirds vote; but today we are faced with the extraordinary situation that owing to the broad powers granted to the President and his assumption of even more powers than Congress intended, he may legislate by directive, and unless Congress can get a two-thirds majority to nullify his actions we stand helpless. The country may thus be run by the Executive plus one-third of the legislative body.

The whole question of consumer subsidies falls into this pattern, and the question before us is, Should we surrender unconditionally? I question the wisdom of our doing so on what is a matter of principle. For this reason, at the proper time I expect to offer an amendment providing that the Commodity Credit Corporation shall not inaugurate any new subsidies which have not hitherto been announced. My amendment will not interfere in any way with any subsidy program now in effect.

I do not like to retreat, but I acknowledge that honest men have different views as to the advisability of this program, and I recognize that in time of war we must give and take, though I do not feel that this means the legislative body should do all the giving, and the Executive do all the taking. If the President has any respect at all for the majority opinion of Congress he should be willing to accept a compromise.

If he has not we should not surrender but should continue fighting for our principles.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman proposes to offer an amendment to limit the payment of consumer subsidies by the Commodity Credit Corporation to the commodities on which

they are paying such subsidies at the present time. As I recollect, and I believe I am correct, consumer subsidies on butter, meat, and bread are now being paid by the Defense Supplies Corporation of the Reconstruction Finance Corporation.

Mr. KEAN. That is correct.

Mr. AUGUST H. ANDRESEN. If the Commodity Credit Corporation is paying any consumer subsidy, that is being paid only on milk.

Mr. KEAN. No; there is milk, and canned vegetables. There are about 20 items.

Mr. AUGUST H. ANDRESEN. The gentleman differentiates between roll-backs and producer subsidies. As I understand it most of the so-called subsidies paid by the Commodity Credit Corporation are paid to increase the production of the different commodities, rather than as a subsidy to the consumer.

Mr. KEAN. I am thoroughly in accord with the necessity for subsidies to increase production in this time of war.

Mr. AUGUST H. ANDRESEN. I know the gentleman agrees with the majority of the Members of the House here that by getting increased production we in turn hold down the prices to the consumers. The philosophy has been, in the O. P. A. and some other agencies of the Government, to bring about scarcity of production, so as to have higher prices, and an additional reason for regimentation, and a demand for consumer subsidies.

Mr. KEAN. The gentleman is correct.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. KEAN. Yes.

Mr. BROWN of Georgia. The gentleman states that this agency has \$500,000,000 to operate on. If the gentleman would limit that to the present subsidy announcement, how would the Government save any money? If you spend it all on the commodities announced, there might be some other more important ones, more essential than the ones announced. I am with the gentleman on consumer subsidies, but this matter has been settled for the time being, and I think the gentleman's amendment at this time may mean a delay, and the delay may be too long. It would probably be debated here, and then it would be debated in the Senate, and the President will probably veto it. The farmers cannot wait. They have to plant crops soon, and to know what the program is. I think it is most untimely and unwise to adopt an amendment of that kind at this time.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. KEAN. Yes.

Mr. O'HARA. I wonder if the gentleman's amendment would limit it purely to production subsidies, and to the broad general scope of what is now their program of announced subsidies—whether we would not then better reach the objective?

Mr. KEAN. It is limited to consumer subsidies. The wording of the amendment is much the same as the wording in the bill vetoed by the President, only I have omitted the provision forbidding

subsidies by any Government agency. The question of butter, meat, and bread subsidies is left to be taken care of by the House when the R. F. C. bill comes up.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. SPENCE. Mr. Chairman, I yield now to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, I want to express my appreciation to the members of both the Banking and Currency and the Rules Committees on both sides of the aisle who have agreed to substitute the Senate bill for the House bill. The Senate bill carried an amendment that was inserted in the bill in the Senate yesterday, which was presented by Senators LA FOLLETTE and TAFT. Several members of this House have introduced identical proposals, the gentleman from Wisconsin [Mr. MURRAY], the gentleman from Wisconsin [Mr. HULL], the gentleman from Iowa [Mr. TALLE], and myself. Under the terms and provisions of the bill that we have introduced, there would be assurance of complete fulfillment of commitments made to producers who have expanded production of nonbasic agricultural commodities. It is necessary and essential that the Government keep its word with the farmers in order to assure increased production of agricultural commodities to meet the demands of this Nation at war. I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SMITH].

(By unanimous consent, Mr. SMITH of Ohio was granted leave to extend and revise his remarks in the RECORD.)

Mr. SMITH of Ohio. Mr. Chairman, it will hardly be necessary for me to take the full 5 minutes allotted me. I had intended to offer an amendment to the pending bill to provide for auditing the Commodity Credit Corporation. However, since the Senate bill contains the identical provision for audit which I intended to offer and since the Senate bill is to be substituted for the pending measure, it will be unnecessary for me to offer my amendment. This amendment, it should be recalled, is the one which I originally offered in the Banking and Currency Committee of the House, where it was adopted by unanimous consent. It was later accepted by the Senate. The bill containing that amendment was later vetoed by the President.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. Yes.

Mr. AUGUST H. ANDRESEN. Will the gentleman inform the Committee what kind of audit is taking place over Commodity Credit operations?

Mr. SMITH of Ohio. At the present time, none.

Mr. AUGUST H. ANDRESEN. No audit whatsoever?

Mr. SMITH of Ohio. No; in the strict sense of the word.

Mr. AUGUST H. ANDRESEN. Does the gentleman have any idea that the Corporation may have operated outside of the scope of the authority of Congress?

Mr. SMITH of Ohio. Of course, I cannot speak specifically on that point, but I doubt if there are many Government corporations that operate within the law, because it is the nature of Government agencies not to do so.

Notwithstanding the President's veto of the Commodity Credit Corporation bill which prohibited consumer subsidies and the difficult situation in which the Congress now finds itself, I want to state for the record that I am unqualifiedly opposed to the passage of the pending measure. If it is permissible for the Federal Government to pay consumer subsidies I do not see how any reason can be advanced why it should not be permitted to subsidize wages and other income directly. The payment of consumer subsidies can be nothing other than an indirect method of paying wages and other income out of taxation. I cannot conceive how we could do anything more unstatesmanlike than to charge to future generations any part of the present cost of living. Why is this done? Can it be that we do not know that we are only deceiving the people, if not also ourselves?

Who can possibly tell where this scheme may lead us and can we not see that here is provided one more powerful political weapon for the bureaucracy to wield over the lives of our people?

To me it seems utterly impossible how anyone can take the view that the subsidization of consumers could possibly be an anti-inflationary measure when it is directly the contrary. It cannot be reiterated too often that every dollar raised for the payment of these subsidies must be obtained by the Government printing press, that taxation and the sale of bonds to private individuals are wholly inadequate to meet present Government costs.

How will it be possible for any of us who are responsible for this consumer subsidy program to look in the faces of the soldiers who will be so fortunate as to return to their homeland, knowing that they must pay for the meat and butter we consumed while they were away fighting?

Perhaps one of the greatest fallacies that Congress is laboring under is the belief that we can by legislation create political machinery that can permanently give farmers higher prices for their produce than they could receive in a free economy. We might as well legislate to change the courses of the heavenly bodies. I grant it may be possible to pass legislation which has the effect of temporarily providing higher farm prices for some commodities, but I deny that it can be anything more than a temporary political expedient.

But that is not the worst part of this program. The really serious part of it is that it is regimenting our farmers into a state of slavery. Through the Commodity Credit Corporation and other agencies the Federal Government is dictating to the farmer more and more what he shall plant and when he shall

reap. These bureaucratic agencies are destroying his greatest right, which is to have the prices of his produce fixed in an open and free market and to force him instead to come to Washington to be told what his produce shall fetch and how much of it he may keep for his own use.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. I know it is easier to go along with these things than it is to take a stand on them.

But I intend as long as I am in Congress to do everything I possibly can to prevent the people in my district from being deceived by measures of this kind. I earnestly believe that if the farmers were free from the shackles of bureaucratic rules and regulations and dictation that more essential war foods would be produced and the confusion and dislocations which are so rampant throughout the whole farming community would not exist.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. SMITH of Ohio asked and received permission to revise and extend his remarks.)

Mr. SPENCE. We have no further requests for time, Mr. Chairman.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and received permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, I was particularly interested in this legislation and was very favorably impressed with the amendments that were added in the Senate yesterday by Senator LA FOLLETTE and Senator TAFT. Anyone who is interested in it can find it on page 1984 of the RECORD of yesterday, February 23. I might give a further explanation about that particular amendment. The Commodity Credit Corporation is the machinery which is used to support the support prices. Under the general law the so-called basic commodities that represent maybe a third of agriculture are sitting all right. But the rest of agriculture has not the same basic legislation. The nonbasic commodities were expanded and a 90 percent parity price was guaranteed by the Price Control Act and the Commodity Credit Corporation Act. There is a provision whereby the Secretary of Agriculture guarantees 90 percent of parity during the war and 2 years after the war to nonbasic commodities for which he asks an increase in production. I do not want to criticize anyone or go into the details about it any more than to say that the 90 percent parity floor that was guaranteed by law to these nonbasic commodities, has not been fully carried out up to this time. This particular amendment will see to it that from now on all these commitments are going to be fulfilled and are going to be fulfilled according to law. To show that this is of rather widespread interest, I will call your attention to the fact that the gen-

tleman from Arkansas [Mr. GATHINGS], the gentleman from Wisconsin [Mr. HULL], a member of the committee, the gentleman from Michigan [Mr. CRAWFORD], also a member of the committee, and the gentleman from Iowa [Mr. TALLE], also a member of the committee, have all introduced this resolution as well as myself. The reason was that we know, coming from these agricultural sections, that it is pretty nearly impossible to carry on a national food-production program unless agencies fulfill their commitments. This is especially true when we spend as much time as we have in the last few months trying to figure out schemes of rolling back somebody's grocery bill when we have not even supported the men who produced the food last year and have not paid them what they were promised in the first place. This legislation will have considerable influence on the future agricultural programs. I do not bring it up here with the idea of the economics involved. But it is the fair thing to do. If you are going to have war food production you have to give these producers what has been promised to them. To show that this question has general application, I wish to include at this time and read a letter from the Commissioner of Agriculture of our State. It is as follows:

WISCONSIN STATE DEPARTMENT
OF AGRICULTURE,
Madison, Wis., February 9, 1944.
Hon. REID F. MURRAY,
House Office Building,
Washington, D. C.

DEAR REID: Present prospects are that the high level of farm production which is so essential to the successful prosecution of the war will not continue. Liquidation of hogs and poultry is already under way, and this may easily spread to other livestock.

In the Price Control Act of October 1942 a commitment was made to producers guaranteeing support prices for agricultural commodities of "not less than 90 percent of parity or comparable price therefor." Agriculture responded with the highest output in the country's history, despite shortages of labor, machinery, and other items.

Recently certain farm producers, after meeting the desired production requirements, find that the support prices upon which they have depended have not always operated. The support price on hogs at first was applied only to hogs weighing from 200 to 270 pounds, though this has since been raised to 330 pounds. Hogs under or over the specified weights have been marketed at lower prices, in spite of the fact that all dressed pork is sold at the ceilings. Nowhere do I find authority for this distinction in the Price Control Act.

In the egg market the situation is even more unsatisfactory. In January the average price of eggs in Wisconsin was below 30 cents per dozen, and with rising production costs poultry is being disposed of rapidly. Egg production during 1944 is expected to be substantially under 1943.

On behalf of the pork and egg producers of this State, I am, at the request of the Wisconsin Board of Agriculture, addressing this to the Wisconsin Senators and Congressmen with the hope that they will immediately inquire into the reasons as to why the guaranties of the Price Control Act have been disregarded, and we urge that action be taken to maintain the announced price supports in the future so that producers may have the assurance necessary to continue the high

level of production which is essential to the war effort.

Sincerely yours,

STATE DEPARTMENT OF AGRICULTURE,
MILTON H. BUTTON, Director.

I might say at this point that if you take the time to read the Price Control Act you will find that the machinery is set up there; that the Secretary of Agriculture can notify these producers of the future needs. It says in the law, that the producers shall be given ample time to make adjustments. In other words, the support prices can be discontinued if and when proper announcement is made. If the Secretary of Agriculture, or probably, now, due to executive order, if the War Food Administrator can see that we are going to have too many eggs or going to have too much pork or any of these other things, he has asked to be increased, all he has to do is make a public announcement and give these producers ample time to adjust their business so that they will not be oversupplying the market. As I say, it has not been done up to this time. The result is that producers lose confidence in the promises. I am sure the incorporation of this amendment will sort of iron out the difficulty in the future.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. BROWN of Georgia. The gentleman understands that the Senate bill has been substituted for the House bill?

Mr. MURRAY of Wisconsin. Yes, I will say to the gentleman from Georgia that I do. I am just explaining what the Senate put in this particular bill. That was not in the bill that was brought before the Committee on Banking and Currency of the House.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, I am not going to try to discuss this measure at any length. My friend the gentleman from Wisconsin [Mr. MURRAY], who is so well versed in all matters relating to agriculture, has given you a very good explanation of the amendment which has been offered by Senator TAFT and Senator LA FOLLETTE, and adopted in the Senate, and which is now part of the bill before the House.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. HULL. I am pleased to yield to my friend from Michigan.

Mr. DONDERO. Will the gentleman explain to the House the difference between the House bill and the Senate bill? I think many Members would like to know what the difference is.

Mr. HULL. I shall be glad to do that. The original resolution brought in by the Committee on Banking and Currency was merely a continuing resolution to extend the life of the Commodity Credit Corporation as a Government agency from February 17 to June 30, 1945. The committee discussed some amendments before bringing that bill in and the idea of the committee was unanimously expressed that the main

thing to do was to extend the Commodity Credit Corporation for this period. That is the basis for the Senate resolution. It does not affect subsidies one way or the other and has nothing to do with the subject we have so widely discussed here. Then the Senate put in this amendment to require the Secretary of Agriculture or the War Food Administration to carry out the commitments which have been made by these various agencies in order to induce increased production in nonbasic agricultural commodities. That amendment was unanimously adopted in the Senate.

The only other amendment that was adopted over there was one which appeared in the original bill which was passed by the House and vetoed by the President, a noncontroversial provision requiring the auditing of the books and accounts of the Commodity Credit Corporation. That has also been adopted in the Senate. But for those two amendments the bill is just the same as it passed the Committee on Banking and Currency in the House.

We in the Middle West are particularly interested in the matter of the amendment offered by Senators TAFT and LA FOLLETTE, which now is a part of this bill and which, as the gentleman from Wisconsin [Mr. MURRAY] stated, had been presented by himself, as well as myself and others. The fact of the case is, unless something is done regarding poultry in the Northwest in particular, there is going to be a great falling off in poultry production this year. The farmers are getting less than 75 percent of parity for eggs, while the commitment made was for not less than 90 percent of parity. On the other hand, the cost of feeds for livestock has gone up so greatly that many farmers are now reducing their poultry flocks, and some plan to go out of poultry raising entirely. The concentrates that used to cost \$30 a ton, or even lower, now cost approximately 4 to 4½ cents a pound in nearly all sections of the Northwest. Not only that, it is difficult to obtain protein feeds even at that price.

This is the season of the year when the farmers of our country make their purchases of little chicks of the hatcheries. They become the pullets of next fall to furnish a large part of the egg production next winter. I have received many letters from farmers stating that they are going out of poultry production. The small-chick hatcheries, of which there are a great number throughout the country, are already feeling the pinch of the situation, and unless something is done to cause the Commodity Credit Corporation to put a floor under prices, which the Congress intended by the act of July 1, 1941, as amended, unless something is done to bolster up this poultry industry, not only the farmers are going to suffer but the chick hatcheries throughout the country are going to find a very short market this spring. Farmers were promised a floor price equal to 90 percent of parity. That promise was made to obtain increased production of poultry and eggs. The farmers responded fully, but the promise has not been kept.

Next fall there will be a shortage of meat products. I do not think anybody expects anything else. The decline in the price of hogs is already being felt just as the letter read by the gentleman from Wisconsin [Mr. MURRAY] from Mr. Button, commissioner of agriculture of the State of Wisconsin, explained. You will also have a shortage of poultry products. You will have a shortage of egg supplies. Unless something is done in the next few weeks to bolster up the so-called nonbasic products of the farmers out in the Midwest, the eastern folks are going to suffer pretty severely in a food shortage—far worse than anything they have seen up to the present time.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. HULL] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. HULL. I yield.

Mr. AUGUST H. ANDRESEN. I feel the gentleman has touched on a very vital thing. I want to make this observation with the gentleman's permission: In order to secure an abundance of pork, poultry, and poultry products we must have feed in order to get those products. The administration should go out and encourage the farmers to plant more corn, more oats, more barley, and grains for feed rather than cut down in the production of those commodities.

Mr. HULL. I heartily agree with the gentleman from Minnesota. This feed situation is not only acute, at present, but we have had very little moisture in the Northwest this winter. Lack of moisture, lack of snow, especially in that region, creates a shortage of pasture and feedstuffs for livestock, which becomes very serious in a very few weeks. You may remember that in 1934 we had a similar winter out there, and a dry spring and summer. Cattle died by the thousands in the Northwest because they were without pasture and without feedstuffs that summer. The Government moved in and spent millions of dollars moving cattle from one section of the country to the other. That is how quickly such a situation may develop.

In this bill we have an opportunity to help the poultry industry and possibly do something about pork production. We have an opportunity to carry out the will and intent of Congress as expressed by the act of July 1941, as later amended, giving the farmers assurance that they can go ahead and plan out a program, not only to maintain but possibly to increase the supply which is now threatened.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. SPENCE. I yield 5 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, on yesterday the gentleman from Kansas [Mr. REES] in some very appropriate remarks called the attention of the House to the fact that he had introduced a bill to create a congressional agency to make for efficiency in governmental operation,

to prevent waste and duplication, and to promote economy.

More than a year ago I introduced a bill with a similar purpose. It has been reintroduced in this Congress, and later reintroduced as a House resolution, in order to establish as an agency of the House of Representatives an office of fiscal investigations of a bipartisan or nonpartisan nature. It would be somewhat akin to our office of legislative counsel, not to be disturbed or interrupted by any change in the political complexion of this body. It would be the duty of this office of fiscal investigation to follow up for the House of Representatives the appropriations that are made and to see how the money is expended. I believe we could save untold millions of dollars for the taxpayers of this country if that resolution were passed and that policy were adopted.

It is a well-known fact that when the various agencies and bureaus come before the Committee on Appropriations to get their annual sums allotted them to carry on their statements are necessarily ex parte, and those bureaus and agencies, when once created, have a tendency to grow and grow until sometimes they reach staggering proportions. There is a great deal of duplication in their work. Some of it may not even pertain to proper Federal functions of government. There is necessarily, under such circumstances, waste and extravagance. In the matter of travel, in the matter of telephone calls, in the matter of printing, and numerous other incidental matters that involve expense, a great deal of money could be saved. This office of fiscal investigations would be at the call of the various committees of this House that had occasion to investigate expenditures with reference to legislation emanating from those committees.

The resolution I introduced is now pending before the Committee on Accounts. I have appeared before that committee in an effort to get it reported to the House. The chairman of that committee, our beloved friend from Missouri [Mr. COCHRAN], is in sympathy with the objectives of the resolution, though he may have some difference of opinion as to just how that objective should be carried into effect. But, in my judgment, it is high time that we had an agency of our own from which we could get definite and accurate information as to what is done with the money we appropriate.

I think in the interest of economy and the taxpayers of our country, we should have speedy action on that measure.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. STEFAN. I am very much in sympathy with the resolution the gentleman has introduced, to investigate expenditures in the Government agencies. However I understood the gentleman's resolution reads to investigate the expenditures after the appropriations have been made.

Mr. LANHAM. Not only that, but also to get information and data upon which we would predicate proper appropriations. I realize that the Committee on

Appropriations has an agency somewhat of this character.

Mr. STEFAN. Oh, no, not like that.

Mr. LANHAM. But I think we should have an agency of this House available for the service of the respective committees, that could give us accurate and definite information. I think we would be able to save a great deal of money for the taxpayers of this country.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. LANHAM. I have spoken several times on the floor of this House in support of this resolution. I think it is high time we took action.

Mr. STEFAN. Mr. Chairman, will the gentleman yield further?

Mr. LANHAM. I yield.

Mr. STEFAN. I am very much in favor of your resolution. You indicated that we on the Appropriations Committee have a similar committee. We do not have that information at all.

Mr. LANHAM. Well, that makes it all the more important to have this resolution adopted.

Mr. STEFAN. We need this more than anything I know of. As a member of the Committee on Appropriations I am at a loss, many times when department agencies come before us justifying appropriations, to know whether or not those appropriations are really justified, because the people who are justifying them are the people who are directly interested.

Mr. LANHAM. That is right. The hearings are ex parte and no one appears to gainsay any representation the witnesses might make.

Mr. STEFAN. If we could have the information the gentleman suggests I think it would save taxpayers of the Nation hundreds of millions of dollars every year.

Mr. LANHAM. That is my judgment.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I gladly yield to my colleague from Michigan.

Mr. DONDERO. I understand that the Executive has some 973 experts to advise him on nearly all subjects that come before the President. The only agency that the Congress has is about 80 members of the Legislative Reference Service in the Congressional Library. I know of no other source to which they can refer for information.

Mr. LANHAM. And they do not in particular follow up the expenditure of these appropriations.

Mr. DONDERO. That is correct.

Mr. LANHAM. For instance, if we could find out how the money appropriated for this fiscal year was spent, then it might be possible for us to make the appropriate reductions in the corresponding appropriations for the next fiscal year. It is a matter in which I have been very much interested. I think it makes for economy, it makes for the prevention of waste, duplication, and extravagance and I trust that the Members will become sufficiently interested in it to help me and help the committee in giving the House an early opportunity to pass upon it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. CALVIN D. JOHNSON].

Mr. CALVIN D. JOHNSON. Mr. Chairman, I wish to agree with what my colleague from Texas has said relative to a careful check on expenditures. I have found very little criticism of the Commodity Credit Corporation insofar as its domestic policy is concerned, but I should like to call the attention of the House to a condition that has arisen where its activities are conducted outside this Nation. I have in my hand an agreement entered into between the Commodity Credit Corporation, as the agent for the Department of Agriculture, and the Government of Peru, in which we agreed to purchase 200,000 bales of cotton annually from that country.

On April 22, 1942, the United States Department of Agriculture entered into an agreement with the Minister of Finance of the Republic of Peru that provided for the purchase by the Commodity Credit Corporation during the year 1942 of about 200,000 bales of cotton and the surplus of all succeeding crops until the 31st of December following the cessation of hostilities.

That may not be so unusual, but I want to quote from the agreement itself:

The United States Department of Agriculture through the Commodity Credit Corporation agrees to purchase during the calendar year 1942 up to 1,000,000 quintals of the 1942 crop of Peruvian cotton.

We thought we had done away in this country with the idea of so-called plowing under every third row, but apparently we have undertaken the same policy down in Peru. I continue quoting:

The purchase price established for the calendar year 1942 shall be the base price for succeeding years, provided that the area planted to cotton in Peru remains at the 1942 figure, which is tentatively estimated to be 135,000 hectares, this estimate being subject to revision by mutual agreement. If the area under cotton cultivation is reduced in any succeeding year, the base price shall be increased 1½ percent for each 1 percent reduction in area.

That seems to be a very unusual procedure by which we agreed to pay 1½ percent more for each 1 percent of reduction. I continue quoting:

In the event that a net profit should be realized, if and when all of the cotton purchased under the terms of this memorandum during any calendar year is disposed of, 50 percent of that profit shall be turned over to the Central Reserve Bank of Peru as the agent of the Government of Peru for distribution among local producers.

Mr. Chairman, I think a matter of that kind should be checked into very carefully. Probably they have some valid reason for it, but we should be told what it is. I can think of no reason in the limited experience I have had as a Member of this Congress why a policy of that kind should be followed. Why we should take funds out of the pockets of the people of this Republic to pay foreign countries to reduce crop acreage is beyond understanding. I think it is high time to check into it by some agency such as our friend from Texas mentioned.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. CALVIN D. JOHNSON. I yield.

Mr. STEFAN. Did the gentleman inquire as to why we were subsidizing the cotton business of Peru? Why we were purchasing that cotton at a time when we have a surplus of cotton? Could it have been, I ask my colleague, that perhaps that cotton might have gotten into the hands of the Axis countries and for that reason we were trying to control cotton that might be used against us?

Mr. CALVIN D. JOHNSON. I went into that, but I could not find any period since this contact was made in which any ship of the Axis could have reached their ports.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CALVIN D. JOHNSON. I yield.

Mr. CRAWFORD. Did the gentleman state under what authority this agreement was made?

Mr. CALVIN D. JOHNSON. It was made by the Department of Agriculture with the Commodity Credit Corporation acting as their agent; but I can find no record of where Congress has approved that agreement.

Mr. CRAWFORD. Perhaps it comes under lend-lease operations, the Atlantic Charter, the Declaration of the United Nations. Has the gentleman pursued his investigations that far?

Mr. CALVIN D. JOHNSON. No; frankly, I have not.

Mr. CRAWFORD. In other words what I want to know is whether or not the Department of Agriculture using the Commodity Credit Corporation as its effectuating agent was proceeding under some of these wartime powers in some of these instruments and agreements to which I have referred.

Mr. CALVIN D. JOHNSON. I think it is high time that the Congress investigated and found out why a policy of this kind was placed in effect.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I may say to the gentleman from Michigan [Mr. CRAWFORD], that I do not understand why the Government of the United States purchases cotton from Peru when we have such a large surplus here. Whether it is purchased through lend-lease or in any other manner it is news to me.

Mr. CRAWFORD. The gentleman from Illinois [Mr. CALVIN D. JOHNSON] was reading from the terms of a contract which has been consummated, which is now in operation and under which we are purchasing the cotton. Is that correct?

Mr. CALVIN D. JOHNSON. I should be very happy to let the gentleman see a copy of the agreement.

Mr. CRAWFORD. What I was trying to find out was the specific authority the Department of Agriculture and the Commodity Credit Corporation had for making such an agreement.

Mr. BROWN of Georgia. That is what I should like to know, too, especially at a

time when we have such a large surplus of cotton here in America.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Mr. DONDERO. Just lately a notice has come to my desk, and I suppose it has come to the desks of other Members, too, that there would be a shortage of a great many articles made from cotton before this summer was over. If we have a surplus of cotton it does not seem to be consistent with the situation that does exist, and no reason certainly for buying cotton in a foreign country when we have a surplus of cotton today.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Mr. KEAN. I remember that someone came before our committee—I believe it was Mr. Jesse Jones, last year, or it may have been a representative of the Commodity Credit Corporation. Anyway, he stated they had a plan to buy cotton in Peru not because they needed the cotton but because the market for the Peruvian cotton prior to the war was almost entirely in Japan and that it would have ruined the economy of Peru if they had not done something of this sort.

Mr. BROWN of Georgia. I do not recall that. There may be a shortage of certain varieties of cotton in the United States, but we have such a surplus here that I do not understand the reason for it myself.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I take this time merely to say a word of commendation for the distinguished gentleman from Texas who has again presented to the House this afternoon the substance of his resolution which is now pending before the Committee on Accounts. This joint resolution provides for the establishment of an agency of the Congress of the United States. This agency will be charged with the responsibility of following through after appropriations have been made by the Congress in order to ascertain the manner and method of the expenditure of those appropriations. It will examine the necessity for those expenditures so that we may have some facts available to the Appropriations Committee when those same general supply bills come before the committee the following year. It will be bipartisan and will be continuous in character as a permanent implement to aid the Congress in the proper discharge of its responsibility to curtail wherever possible the nonessential expenditure of public funds.

I have served on the Appropriations Committee for some years. May I say that after the first 3 months of service upon that committee I was amazed that the appropriation of billions of dollars was being made with a hearing entirely—as the gentleman from Texas [Mr. LANHAM] stated—*ex parte* in character. The only testimony offered in most cases is by the experts of the agencies asking for

the money. The committee must in effect try an important lawsuit without counterevidence and rely wholly upon cross-examination of adverse witnesses in order to develop the real facts. Such a task presents difficulties of major importance.

Today I received copy of a letter from the Under Secretary of the Treasury, Mr. Bell. He commented upon the action of the House of Representatives in passing the annual supply bill for the Post Office-Treasury Departments and indicated the criticism of the Treasury Department on account of certain reductions which the House made below the Budget estimates. That letter was addressed to the chairman of the Committee on Appropriations of the House of Representatives, and in it the Under Secretary very clearly gave notice to the chairman of the Appropriations Committee that they would go on, spend the money that Congress has appropriated, and then come back before the deficiency committee asking for a deficiency.

Of what benefit is a budget? Of what benefit is the original action of the House of Representatives on appropriations under those circumstances in controlling expenditures? The gentleman from Texas, in my opinion, is doing a grand service to the people of the Nation and the Congress should get behind him and see to it that this resolution is brought in here for consideration.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 1 additional minute.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. I have watched this movement in favor of what appears to be setting up a Congressional bureaucracy to oversee and fight the Executive bureaucracy. I am wondering if the gentleman does not think it would be simpler to just elect a President who would be interested in reducing the executive expenditures?

Mr. KEEFE. Of course, the distinguished gentleman from Illinois is quite familiar with my personal views upon that subject. I have expressed them in and out of the well of this House many, many times and in various parts of the country. I may say that I expect to do so many, many times before the next November election. Certainly the solution suggested will appeal as good sense to those of us who want no more of the New Deal.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan [Mr. CRAWFORD].

(Mr. CRAWFORD asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. CRAWFORD. Mr. Chairman, what I shall say will be in the way of a friendly observation. First, I do not know a Member on the Republican side or on the Democratic side who is opposed to continuation of the Commodity Credit Corporation. This afternoon one

of our very outstanding Members on the Democratic side approached me and wanted to know why certain Republicans were opposing continuation of the Commodity Credit Corporation and I told him I did not know of any who were. I want to emphasize that and I repeat, I do not know of any on the Democratic side who oppose continuation of the Commodity Credit Corporation.

As I understand the concept of the Commodity Credit Corporation, it was brought into operation and it has been maintained primarily to stabilize the agricultural economy of this country, which means to facilitate the stabilization of the organized industrial economy as well. A few moments ago the gentleman from Illinois [Mr. CALVIN D. JOHNSON] referred to a cotton contract, which is now in operation between the United States and a certain Latin-American country. I believe I speak the views of this House when I say that cotton is the greatest single crop produced in the United States when you consider its benefits to the animal kingdom as well as to the human kingdom, the fibers, the fats, oils, and proteins that come from it. Certainly it is the basic economy of certain great segments of our areas in the Southern States. In turn the southern people convert cotton into dollars and buy manufactured products from the North and the New England area.

We have several forces running in this country and I am going to outline them in this manner: There is the enunciation of the "four freedoms," the Atlantic Charter, the declaration of the United Nations, the lend-lease, the four-nation agreement at Moscow, and the mutual-aid agreements, which I believe exceed 30 in number, that have been completed between the United States and 30 other countries. We also have U. N. R. R. A. and we have 17 or more secret agreements which have been consummated. In these mutual-aid agreements we have title VII, which I believe is uniform in all of them and which serves as a binder tying a number of these agreements and declarations together.

Under those agreements, declarations and laws like lend-lease we are proceeding to support the economy of certain other countries. I am sure if we pursue this question far enough with respect to the cotton agreement we will find that in some of these declarations, agreements, or statutes we will find authority for that specific cotton agreement which has been mentioned.

There is another development in force which is being urged quite aggressively by the Secretary of the Treasury and that has to do with the formation of some kind of a union between friendly nations for the stabilization of an international currency in the post-war period so that that stabilization will facilitate the flow of trade across international borders.

When you take those propositions and go back to the fourth section of the Atlantic Charter, wherein England and the United States, being represented by Mr. Churchill and Mr. Roosevelt pledged the agencies of those two countries to make accessible to the best of their abil-

ity the raw materials of the earth to countries of like mind on equal terms in the post-war period, you moved into this field of stabilized economic conditions in the post-war period as well as the war period, all tied together by article VII of the mutual aid agreements.

We come down to the Commodity Credit Corporation and we find an amendment, which we will call the Steagall amendment, providing that the Commodity Credit Corporation shall support agricultural prices with 90 percent of parity price loans for a 2-year period after the cessation of hostilities. There are men in this country, leaders if you please, who feel that the high prices which may be thus given to certain agricultural commodities in the post-war period under the 90 percent support price amendment may maintain a price level which will tend to crowd out of the market through the machinery of a high price certain great and basic commodities because of the possibility of synthetic products and substitute products coming in and taking their place on account of being able to move into this market at a price lower than the support price. Somewhere down the line we are going to have to give consideration to that.

This general approach takes us into the field of stock piling. For instance, we have our domestic wool growers, and we have our friendly wool growers in Australia. We now have a stock pile of wool in this country, present and potential and with the 1944 clip, which may exceed 1,600,000,000 pounds and may reach 2,000,000,000 pounds. There is a stock pile of wool. What is to be done with it as related to the activities of the Commodity Credit Corporation and as related to war prices and post-war prices under the 90-percent support-price clause, for instance?

You will have innumerable stock piles of materials tied up under the Rubber Reserve Corporation, the Defense Supplies Corporation, and the Commodity Credit Corporation, perhaps twenty-five or thirty billions dollars' worth of them. The disposition of those stock piles will have to do with the operation of the mutual-aid agreements, the Commodity Credit Corporation, the Atlantic Charter, the post-war lend-lease operations, and the various other activities to which I have referred. The man in charge of the disposition of those stock piles will in turn be able to affect very materially, if not control, the economies in the countries to which those stock piles directly apply.

For instance, let us take the stock pile of cotton which we now have on hand and which we may have on hand at the end of the 2-year period, wherein the present Commodity Credit Corporation law provides we shall maintain support prices at 90 percent of the parity price. Sooner or later this Congress is going to have to move into the realm of stock piles and the disposition of stock piles.

Let us take Australia as a specific example. Australia grows primarily wool, hides, and beef. Australia is primarily interested in the United States through the effectuation of these various agree-

ments maintaining the stability of prices on wool, beef, and hides. When we go back into the Dutch East Indies and recapture the rubber plantations, they will be interested in the stability of prices on crude rubber as against our synthetic rubber industry. When Japan comes back into our realm, it will be interested in the stability of the price of silk as against substitute fibers, synthetic or otherwise.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SPENCE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Michigan.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Can the gentleman say where the Commodity Credit Corporation obtains this authority to buy cotton from Brazil and guarantee them a certain price?

Mr. CRAWFORD. As I said before, I was trying to ascertain that information from the gentleman from Illinois. Then I also said later, after I took the floor, that it is my opinion that if we search far enough we shall find authority for that specific act in one or the other of the instruments to which I have referred.

Mr. BROWN of Georgia. It did not come through the Committee on Banking and Currency?

Mr. CRAWFORD. I do not believe so, because I do not recall any legislation anywhere before our committee that had to do with that particular problem.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman has referred to the Government-owned stock piles of these basic products. Is it not a fact that the larger the Government stock pile the more dependent the producer will become on the Government for all time in the future?

Mr. CRAWFORD. The producer always becomes more dependent on a single or approximately single purchaser of his product. If I am a manufacturer of woolen goods and you are my only customer, I become dependent upon your operation. If I can vegetables and you are my only customer, I become dependent upon what you do. If the Government becomes the largest owner of wool, cotton, hides, or whatever it happens to be, I become more dependent upon Government activities. In other words, it tends to rob the producer of his free market, it tends to make him absolutely dependent upon a single purchaser, who may at any time he pleases proceed to dump or refuse to buy.

The CHAIRMAN. All time has expired. The Clerk will read the joint resolution for amendment.

The Clerk read as follows:

Resolved, etc., That the first sentence of section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby amended, as of February 17, 1944, by striking out "February 17, 1944" and inserting in lieu thereof "June 30, 1945."

Sec. 2. In cases where producers have expanded or hereafter expand production of nonbasic agricultural commodities pursuant to any public announcement made under section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes", approved July 1, 1941, as amended, it shall be the duty of the Secretary of Agriculture or the War Food Administrator through loans, purchases, and other operations under such section 4 (a), to completely fulfill all commitments made to such producers. In order to carry out the purposes of this section, the Secretary of Agriculture or the War Food Administrator shall use such of the funds available for carrying out the provisions of such section 4 (a) as may be necessary, and such funds are hereby made available for such purpose.

Sec. 3. Section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby further amended by changing the designation thereof to section 7 (a); and by striking out the period at the end of such section and inserting in lieu thereof a colon and the following: "Provided, however, That the Corporation shall at all times maintain complete and accurate books of account and shall determine the procedures to be followed in the transaction of the corporate business."

"(b) The financial transactions of the Corporation, beginning with the period from July 1, 1944, shall be audited by the General Accounting Office in accordance with the principles applicable to commercial corporate transaction and under such rules and regulations as may be prescribed by the Comptroller General of the United States: *Provided*, That the Corporation shall continue to have the authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers: *Provided further*, That a report of such audit shall be made to the Congress, together with such recommendations as the Comptroller General may deem advisable, and that each such report shall cover a period of 1 fiscal year: *Provided further*, That a copy of each such report shall be furnished the Secretary of the Treasury and that the findings contained therein shall be considered by the Secretary in appraising the assets and liabilities and determining the net worth of the Corporation under sections 1 and 2 of the act of March 8, 1938 (52 Stat. 107), as amended: *Provided, however*, That nothing in this section shall be construed as modifying legislation authorizing the use of funds of the Corporation for administrative expenses and requiring accountability therefor.

"(c) The expenses of the audit as provided in this section may be paid up to and including June 30, 1946, from moneys advanced thereby by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General: *Provided*, That any such advances or reimbursements shall be considered as nonadministrative expenses of the Corporation. For the purpose of such audit the representatives of the General Accounting Office shall have access to all papers, books, files, accounts, financial records, warehouses, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation and shall be afforded full facilities for verifying transactions with the balances in depositaries and with fiscal agents: *Provided further*, That the certified financial reports and schedules of the fiscal agents of the Corporation based on commercial audits in the usual course of business may be accepted by the General Accounting Office in its audit of the financial transactions of the Corporation as final and not subject to further audit verification."

"(d) Any examination of the corporate records shall be made at the place or places where such records are normally kept in the transaction of the corporate business, and the Corporation shall retain custody of contracts, vouchers, schedules, or other financial or accounting documents, either original or duplicate, relating to its nonadministrative transactions."

Mr. KEAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEAN: On page 4, after line 20, insert a new section, to be known as section 4, to read as follows:

"Sec. 4. No funds controlled by or made available to the Commodity Credit Corporation shall be directly or indirectly used by the Commodity Credit Corporation to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part therefrom, including milk and livestock and the products thereof, either to reduce, or in lieu of increasing, maximum prices established on such commodities under the provisions of the Emergency Price Control Act of 1942, as amended, or Public Law No. 729, approved October 2, 1942: *Provided*, That with respect to any such commodities for which programs involving such payments or losses have been announced on or before February 21, 1944, such programs may be carried out to the extent only that funds are available for such purpose under existing law: *Provided further*, That support prices shall continue to be maintained and announced for any such commodities pursuant to section 4 of Public Law No. 147, approved July 1, 1941, as amended, and loans shall continue to be made pursuant to section 8 of Public Law No. 729, approved October 2, 1942, but any maximum prices heretofore or hereafter established for such commodities shall not be below the support prices therefor or below the prices specified in section 3 of Public Law No. 729, approved October 2, 1942: *Provided further*, That nothing herein shall be construed to prevent the making of parity payments or soil-conservation payments authorized under existing law, or benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended, or the sale of feed wheat as authorized by existing law."

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. KEAN] in support of the amendment.

Mr. KEAN. Mr. Chairman, the amendment which has just been read sounds complicated but in truth is very simple. It merely provides that subsidy programs which have been already announced by the Commodity Credit Corporation may be continued but that no new consumer subsidy programs may be inaugurated by this Corporation. The rest of the amendment merely reiterates that none of the other programs for the benefit of farm production are in any way affected.

Unlike the bill vetoed by the President, my amendment only refers to those subsidies which are being handled by the Commodity Credit Corporation. Roll-backs on butter, meat, and bread which have been undertaken by the Reconstruction Finance Corporation would not be affected.

Unlike the bill vetoed by the President my amendment in no way affects any subsidy program which has been announced prior to February 21.

A majority of Congress by their votes have shown themselves to be opposed to the subsidy program. Through the sustaining of the President's veto last week the will of this majority was thwarted. The resolution which we are considering if passed without amendment represents a complete retreat by Congress. The door would be left wide open to the further extension of the subsidy program only limited by the funds available.

In a statement to the press a short time ago, the Commodity Credit Corporation announced that it had ample funds available—\$1,000,000,000 in fact—while at present the subsidy program of the Commodity Credit Corporation amounts to approximately half a billion. There is plenty of money for new subsidies.

I am frank to say I do not like to compromise in any way, but all legislation is a matter of compromise and in time of war none of us should be too stubborn.

If we pass this bill as presented without amendment some may say that by our action we have sanctified the subsidy program. As far as I am personally concerned, I refuse to allow myself to be maneuvered into this position. Let us not sacrifice principle for expediency.

Mr. DILWEG. Mr. Chairman, will the gentleman yield?

Mr. KEAN. Yes.

Mr. DILWEG. What is the difference between the gentleman's amendment and the one offered by Senator BUSHFIELD in the Senate?

Mr. KEAN. I have not read Senator BUSHFIELD's amendment except as I saw something about it in the newspaper—that he had offered an amendment.

Mr. DILWEG. The Senator offered an amendment exactly the same as that offered by the gentleman from New Jersey except that he rolled the date back to October rather than a February date, and also provided that there should be a winding-up process by July of this year, 1944. That was voted down.

Mr. KEAN. I have not consulted with the Senator and I have no idea what he offered.

[Mr. MONRONEY addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The amendment was rejected.

Mr. CALVIN D. JOHNSON. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CALVIN D. JOHNSON: After the last word in the bill, insert a new section as follows:

"Sec. 4. No purchase agreement entered into by this agency with any foreign government shall become effective until 30 days after its context has been made known to the Congress."

Mr. SPENCE. Mr. Chairman, I object to the amendment. I make a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. SPENCE. Mr. Chairman, the amendment is not germane. I am reserving the right to make the point of order. I have no objection to the gentleman addressing the House on his amendment.

Mr. CALVIN D. JOHNSON. Mr. Chairman, my purpose in offering this amendment is not to handicap or cripple the Commodity Credit Corporation, because I make it very clear in the amendment that it would not limit their activities. It would merely make those activities known to the Congress.

I believe that agreements, such as the one entered into with the Government of Peru, in which we agreed to pay them for reducing their cotton acreage, would not exist if the Congress had known of such intended transaction. I believe that the spotlight of publicity, focusing the attention of the Nation on such activities, would forestall their enactment.

Through such agreements we are fast becoming Santa Claus to the entire world. I would say to those who want, through such agreements, to help our neighbors, let us first help ourselves.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. CALVIN D. JOHNSON. I yield.

Mr. BROWN of Georgia. I understand that the gentleman from Oklahoma [Mr. MONRONEY] has consulted the Commodity Credit Corporation relative to this cotton purchase down in South America. I would like to have him deal with that question.

Mr. MONRONEY. Mr. Chairman, I would like to give this information. I talked to Mr. J. B. Hutson, the Director of the Commodity Credit Corporation. There was one deal that was handled early in the war after Pearl Harbor for 40,000 bales of cotton, which were bought from Peru. It was bought to relieve the economy of Peru as the result of a sudden shock of the loss of their foreign markets. The cotton is still in Peru. It has been turned over to the F. E. A., Mr. Crowley's organization. I am informed definitely that the Commodity Credit Corporation will not enter into any foreign agreements for the absorption of any product. They are having two foreign operations both of which have had legislative sanction. One is the sugar-purchase program from offshore and the other is the Canadian wheat imports program for cattle feed. I am a little bit afraid we might, through requiring 30 days' notice, on those two that are now being done, in some way defeat the orderly distribution of emergency feed which is being imported from Canada.

Mr. CALVIN D. JOHNSON. Are we assured by the Commodity Credit Corporation that the agreement which was entered into between the Government of Peru and that agency in April to purchase 200,000 bales of cotton each year, has been set aside?

Mr. MONRONEY. It is my understanding and I had the information directly from Mr. Hutson a few minutes ago, after the gentleman announced it on the floor of the House, that every bit of this work is being done now by the F. E. A., Mr. Crowley's organization, that

is, the Foreign Economic Administration. Now what other agreements there are, I do not know. There is a lot of preclusive buying and a lot of economic warfare going on. I can assure the gentleman that the Commodity Credit Corporation is not going to be used in any of these deals of that kind.

Mr. CALVIN D. JOHNSON. If the gentleman is confident that the Commodity Credit Corporation will not carry on such a policy, the need for this amendment, if he is right, would be nonexistent. We would not need it. But it was with the thought of stopping such activities on the part of the Commodity Credit Corporation or any other agency of government that I introduced this amendment.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CALVIN D. JOHNSON. I yield.

Mr. CRAWFORD. I do not think any Member of the House is in a position to make a statement that the Commodity Credit Corporation will not in the future participate in such transactions. The Commodity Credit Corporation is an agency of this Government and we have sanctified and legislated and appropriated and put into operation certain machinery; when that machinery acts and directs the Commodity Credit Corporation to proceed to purchase certain commodities as an agency of the United States Government, how are you going to prevent them from doing so? It may be true that at the moment the Foreign Economic Administration, or whatever the agency is, may be performing this particular function, but perhaps next week by Executive order they may be demolished and it might go back to certain other agencies of government. I think that is the point the gentleman is trying to get at.

Mr. CALVIN D. JOHNSON. Yes, the agreement is self-explanatory, according to a letter from the Department of Agriculture, they agree through their agent the Commodity Credit Corporation to purchase 200,000 bales of cotton annually. Such activities at least should be brought to the attention of the Congress. If we are called upon to levy taxes and make appropriations to be spent over the entire world, without any knowledge of where the money is going, I think it is high time we put a stop to such practices.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COURTNEY, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration Senate Joint Resolution 116, continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945, pursuant to House Joint Resolution 448, and reported the Senate joint resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

So the bill was passed.

A motion to reconsider was laid on the table.

A similar House joint resolution (H. J. Res. 239) was laid on the table.

APPOINTMENT OF FRANK T. HINES AS BRIGADIER GENERAL IN THE ARMY OF THE UNITED STATES

Mr. SPARKMAN, from the Committee on Military Affairs, submitted the following conference report and statement on the bill (S. 872) an act to authorize the President to appoint Frank T. Hines a brigadier general in the Army of the United States, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 872) to authorize the President to appoint Frank T. Hines a brigadier general in the Army of the United States, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That the President, by and with the advice and consent of the Senate, is hereby authorized to appoint any former officer of the Regular Army, who, after active military service of more than 15 years, has resigned his commission and who subsequently served for a period of more than fifteen years either as Director of the Veterans' Bureau or as Administrator of Veterans' Affairs, or both, an officer on the active list of the Regular Army in the grade held by him at the time of such resignation and thereafter immediately place him on the retired list of the Army in that grade and with the retired pay thereof.

SEC. 2. Notwithstanding any other provision of law, any such person may be so appointed and retired while holding civil office, and may continue to hold, or be appointed to, civil office to which compensation is attached, but, while entitled to receive the pay or compensation attached to any such civil office, shall not be entitled to receive active or retired pay by virtue of his military status.

Amend the title so as to read: "An Act to provide retirement benefits for certain persons who serve as Administrator of Veterans' Affairs."

And the House agree to the same.

ANDREW J. MAY,
R. EWING THOMASON,
JOHN SPARKMAN,
WALTER G. ANDREWS,
DEWEY SHORT,

Managers on the part of the House.

ROBERT R. REYNOLDS,
LISTER HILL,
WARREN R. AUSTIN,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 872) to authorize the President to appoint Frank T. Hines a brigadier general in the Army of the United States, submit the following statement in explanation of the effect of the action agreed upon

by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House, with an amendment, which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same.

Except for the differences noted in the following statement, the conference substitute is the same as the House amendment.

In section 1 the words "advice and" were inserted in the second clause in order to conform with the traditional language of the Constitution concerning the authority of the President to appoint officers of the United States by and with the advice and consent of the Senate. Section 1 was further amended so as to provide that the terms of the act would only apply to an officer who has performed active military service for more than 15 years. The language contained in section 2 was added for the purpose of expressly authorizing the appointment of any person under section 1 notwithstanding the provisions of existing law pertaining to the holding of more than one office. However, section 2 precludes the receipt by such person of active or retired pay by virtue of his military status while entitled to receive the pay or compensation attached to a civil office.

ANDREW J. MAY,
R. EWING THOMASON,
JOHN SPARKMAN,
WALTER G. ANDREWS,
DEWEY SHORT,

Managers on the Part of the House.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that on tomorrow, after the business on the Speaker's desk is disposed of, I be permitted to address the House for 15 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. HORAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include two articles from the Saturday Evening Post.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include an article which appeared in the Cincinnati Enquirer.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow night it adjourn to meet on Tuesday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEGISLATIVE PROGRAM

Mr. MICHENER. Mr. Speaker, will the gentleman from Massachusetts state

[PUBLIC LAW 240—78TH CONGRESS]

[CHAPTER 71—2D SESSION]

[S. J. Res. 116]

JOINT RESOLUTION

Continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 7 of the Act approved January 31, 1935 (49 Stat. 4), as amended, is hereby amended, as of February 17, 1944, by striking out "February 17, 1944" and inserting in lieu thereof "June 30, 1945".

SEC. 2. In cases where producers have expanded or hereafter expand production of nonbasic agricultural commodities pursuant to any public announcement made under section 4 (a) of the Act entitled "An Act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes", approved July 1, 1941, as amended, it shall be the duty of the Secretary of Agriculture or the War Food Administrator through loans, purchases, and other operations under such section 4 (a), to completely fulfill all commitments made to such producers. In order to carry out the purposes of this section, the Secretary of Agriculture or the War Food Administrator shall use such of the funds available for carrying out the provisions of such section 4 (a) as may be necessary, and such funds are hereby made available for such purpose.

SEC. 3. Section 7 of the Act approved January 31, 1935 (49 Stat. 4), as amended, is hereby further amended by changing the designation thereof to section 7 (a); and by striking out the period at the end of such section and inserting in lieu thereof a colon and the following: "*Provided, however*, That the Corporation shall at all times maintain complete and accurate books of account and shall determine the procedures to be followed in the transaction of the corporate business.

"(b) The financial transactions of the Corporation beginning with the period from July 1, 1944, shall be audited by the General Accounting Office in accordance with the principles applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States: *Provided*, That the Corporation shall continue to have the authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers: *Provided further*, That a report of such audit shall be made to the Congress, together with such recommendations as the Comptroller General may deem advisable, and that each such report shall cover a period of one fiscal year: *Provided further*, That a copy of each such report shall be furnished the Secretary of the Treasury and that the findings contained therein shall be considered by the Secretary in appraising the assets and liabilities and determining the net worth of the Corporation under sections 1 and 2 of

the Act of March 8, 1938 (52 Stat. 107), as amended: *Provided, however*, That nothing in this section shall be construed as modifying legislation authorizing the use of funds of the Corporation for administrative expenses and requiring accountability therefor.

"(c) The expenses of the audit as provided in this section may be paid up to and including June 30, 1946, from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General: *Provided*, That any such advances or reimbursements shall be considered as nonadministrative expenses of the Corporation. For the purpose of such audit the representatives of the General Accounting Office shall have access to all papers, books, files, accounts, financial records, warehouses, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation and shall be afforded full facilities for verifying transactions with the balances in depositaries and with fiscal agents: *Provided further*, That the certified financial reports and schedules of the fiscal agents of the Corporation based on commercial audits in the usual course of business may be accepted by the General Accounting Office in its audit of the financial transactions of the Corporation as final and not subject to further audit verification.

"(d) Any examination of the corporate records shall be made at the place or places where such records are normally kept in the transaction of the corporate business, and the Corporation shall retain custody of contracts, vouchers, schedules, or other financial or accounting documents, either original or duplicate, relating to its non-administrative transactions."

Approved February 28, 1944.

